

**Maria C. Andrade-Stern**

Senior Contract Administrator

Direct Dial: (202) 261-5396

FAX: (202) 728-0231

MAndrade@ui.urban.org

October 15, 2003

Mr. John Lord  
Contracting Officer  
USAID/Almaty  
c/o American Embassy  
97A Furmanov Street  
Almaty, Kazakhstan 480091

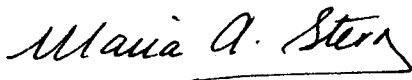
RE: Contract No. EEU-I-00-99-00015-00, TO No. 811  
UI Project 06901-015, 06901-016, 06901-017, & 06901-018  
Central Asian Republics Local Government Initiative Phase II  
*Quarterly Task Order Progress and Cost Report, July to September 2003*

Dear Mr. Lord:

Please find enclosed *Quarterly Task Order Progress and Cost Report, July to September 2003, Central Asian Republics Local Government Initiative Phase II*. This report is required by Sections F.5 and F.6 of our Local Government Assistance Initiative Indefinite Quantity Contract.

Please direct any technical questions to Mr. Charles Undeland, Chief of Party, at +996-312-66-04-28 or e-mail at cundeland@ui.kg. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,



Maria C. Andrade-Stern

Enclosures

cc: Ivan Apanasevich (CEN, ASIA/ODT)  
Mike Keshishian (USAID/W)  
Charles Undeland (Kyrgyzstan/UI)  
USAID Development Clearinghouse  
IAC Deliverables File (06901-015 to 018)  
IAC Chron File

**QUARTERLY TASK ORDER  
PROGRESS AND  
COST REPORT**

**CENTRAL ASIAN REPUBLICS  
LOCAL GOVERNMENT  
INITIATIVE PHASE II**

**JULY TO SEPTEMBER 2003**

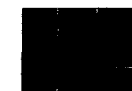
Prepared for



Central Asian Republics Local Government Initiative Phase II  
United States Agency for International Development  
Contract No. EEU-I-00-99-00015-00, Task Order No. 811

Prepared by

Charlie Undeland  
The Urban Institute



**THE URBAN INSTITUTE**

2100 M Street, NW  
Washington, DC 20037  
(202) 833-7200  
[www.urban.org](http://www.urban.org)

October 2003  
UI Project 06901-015, 06901-016,  
06901-017 and 06901-018

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## **MONTHLY REPORT FOR JULY 2003**

### **A. HIGHLIGHTS**

- Change in CoP but no substantive disruptions to UI's activities in all four countries
- Successful study tour on decentralization strategy and equalization transfers to Albania for Tajik and Kyrgyz participants
- 5 more cities begin strategic planning process in Kazakhstan
- Cabinet of Ministers convenes national seminar to discuss Slovak model of housing reforms following study tour

### **B. SUCCESS STORY**

#### **Study Tour To Slovakia Motivates Uzbek Officials To Allow For More Resident Control In Housing Associations**

UI together with its partner organization in Slovakia, the Housing Institute, organized a weeklong study tour for high-ranking Uzbek state officials at the end of May. The tour's goal was to provide an example of housing reforms, including the development of housing associations that were substantially different from Uzbekistan's top-down efforts that have yielded large, unwieldy associations. Travel costs for participants were covered by AED/USAID.

The tour brought about a sea change in these officials' views towards Uzbekistan's housing situation. Several participants noted that they now saw that the key ingredient for success of setting up housing associations was to have the association serve as truly self-governing entities where residents make their own decisions – and motivate themselves – to take care of their buildings. The officials recognized that legislation and official attitudes towards associations must be changed to facilitate resident-controlled governance. In particular, several of the officials have embraced the concept of allowing for smaller associations and for more formally separating the associations from control of local governments and local communal service providers. These changes are in draft amendments to the country's housing association law developed by UI in conjunction with its partners. Several officials and an MP have stated that they will advocate for these amendments when they are put to Parliament this fall.

The tour participants convinced Uzbekistan's Cabinet of Ministers to hold a special national seminar to present the insights gained while in Slovakia. This meeting was held on July 7, 2003 and received substantial national television coverage. Representatives from around the country attended. Further, an educational film about the tour was produced and has received considerable airtime.

At the urging of the tour participants, UI is planning a major follow-up conference on housing in mid-September at which the main speakers will be from Slovakia.

### **C. ACTIVITIES**

#### **Regional Activities & Deliverables**

UI held its quarterly country directors' coordination and joint planning session on July 23-24 in Kyrgyzstan. Thematic content focused on training activities and association building, with corresponding local staff from the 4 offices participating and presenting. The USAID evaluation

team of CTO Ivan Apanasevich and USAID/Washington's Ted Priftis was also present and provided their insight into the progress of the country programs and directions for Year 2 of LGI II. The meeting was also utilized to initiate work planning for Year 2 of LGI in the four countries.

The joint Tajik-Kyrgyz study tour to Albania occurred in the final week of July. Ten participants from Tajikistan and five participants from Kyrgyzstan travelled to Albania to see the country's experience with decentralization and fiscal equalization. The two country teams were also able to learn from each other about their respective experiences, with the Kyrgyz delegation providing additional laws and documents on decentralization. The tour was a success. The Kyrgyz delegation, including 2 senior MoF officials, became convinced about the viability of designing formula-driven equalization transfers as well as the benefits of executing fiscal decentralization more generally. The Tajik delegation was impressed by the comprehensive, strategic approach to decentralization that was undertaken in Albania. Both groups found it easy to relate to less prosperous Albania than other CEE locations.

Plans were made for UI Kyrgyzstan and Tajikistan to work together to utilize experience of each of the respective countries to municipal services. UI Kyrgyzstan's staff person will present the work on Service Improvement Action Plans in Tokmok, Kyrgyzstan, and UI Tajikistan will be delivering to local officials in late August.

UI Uzbekistan exchanged information and received comments from the offices in Kazakhstan and Kyrgyzstan regarding the design and implementation of its best practices grants competition for housing associations. UI Kyrgyzstan together with the Chui Regional Condominium Association played host to a study tour of counterparts for UI Uzbekistan (see picture of Kyrgyz assn. chairperson showing her books to colleague from Uzbekistan).



### **Kazakhstan Activities & Deliverables**

#### ***Promoting Relationships between NGOs and Local Gov'ts, CBEDCs (Tasks 1a-c, Task 2)***

On July 1-2, UI/Almaty staff members and local consultants provided a two-day seminar for the second wave of five cities of the Almaty Oblast to participate in Strategic Planning Process (SP), in coordination with the Almaty Oblast Economic Committee. Representatives from Ushtobe, Sarkand, Kaskelen, Taldykorgan, and Esik developed draft mission and vision statements, SWOT analyses, and prioritized strategic objectives.

Later in the month, the same five cities gathered back in Taldykorgan with representatives from the five cities of the first wave of SP cities. The akims of Talgar, Usharal, Kapshagai, and Tekeli provided presentations on their draft SPs to members of the oblast administration, NGOs, and the Ministry of Economy and Budget Planning. The akim of Talgar also presented techniques on how to hold public hearings. This was a rare opportunity for all three levels of government to discuss overall development needs in a common forum, and the event received significant coverage in national press.

Public hearings on the draft strategic plan took place in Talgar and Kapshagai. UI/Almaty provided logistical support, brochures, and technical advice on how to hold the hearing. With support from Soros, the Taldykorgan City Maslikhat held a public hearing on draft administrative rules on public order, organized by the Almaty RTC.

The Center for Support of Development of Small Cities in Lisakovsk (the Small Cities Center) carried out training in program budgeting to government administration members, Maslikhat deputies, and NGO leaders in Rudniy.

Most of the NGOs that won an award under UI's grant competition were provided with their first tranche of funds.

The Taldykorgan CBEDC met on several occasions to generate and prioritize potential development projects. Negotiations were finalized with the Kostanai CBEDC on Profi project and sub-contract documentation is being processed. UI/Almaty is developing a 'start up' package of assistance to those CBEDCs just starting.

#### ***Building Local Capacity for Decentralization (Task 3)***

The Small Cities Center received feedback from 12 different cities from seven different oblasts (Akmola Oblast, Almaty Oblast, East Kazakhstan, Karaganda, Kyzyl-orda, and North Kazakhstan) about potential collaboration. Cities noted that housing reform, public-private partnership, and economic development were key issues that they required further training. Round tables on developing local self-government, which is understood to mean smaller neighborhood committees and the like within existing jurisdictions, and ecological problems were of interest as well.

Liliya Leskova, chair of the Small Cities Center, provided expert feedback to the Almaty Oblast Cities, which presented their draft SPs. She had discussions on association development and networking opportunities with Almaty Oblast cities.

The Association of Maslikhat Deputies, under funding from the UI/Almaty grant program, started conducting its political discussion clubs in Petropavlovsk.

#### ***Strengthening Local Councils (Task 4)***

UI/Almaty staff members discussed potential collaboration with IRI and NDI for upcoming Maslikhat elections in September. UI/Almaty is reviewing the revised law on Elections to see any potential implications for its Maslikhat training and other cooperation.

The Pavlodar RTC, being a grantee for module development on "Organization of Elections' Campaign" for Maslikhat Deputies which outlines the of deputies' legal obligations vis-à-vis the holding of elections, has developed the module and conducted a test seminar. UI hopes that this seminar will be of assistance to those who are charged with organizing the conduct of elections.

#### ***Housing Reform (Task 5)***

Through a trainer, UI facilitated a brainstorming session to address and resolve issues in the housing sector among KSKs and local government officials in Kostanai on July 8-9.

UI/Almaty finalized discussions with KSK Molodezhnaya on the project to lobby residents' interests vis-à-vis the maslikhats and utilities providers by providing water meters, and is in the process of drafting the necessary sub-grant documentation.

UI/Almaty discussed potential collaboration in national housing legislation with Galina Pushkareva and Taksyn Rakhimbekova, founding members of the Housing and Development NGO. UI/Almaty performed preliminary analysis on the new draft housing law issued by the parliamentary working committee in June 2003, and is in the process of investigating potential methods for providing input into the law, which is to be discussed during the fall session.

***Information Dissemination (Task 6)***

Newspapers began writing articles under the Media Competition. One newspaper, OKO, based in Astana, submitted five articles on KSK development, Maslikhat elections, and citizen participation.

UI/Almaty representatives participated in a press conference following the SP round-table in Taldykorgan. A lengthy feature was printed in *Kazakhstanskaya Pravda*, which was sent to USAID separately.

***Study Tours (Task 7)***

10 preliminary candidates were chosen to participate in the study tour on Citizen Participation to be funded by USAID/AED. The Study Tour will take place in September in small cities in Hungary.

***Central Government Support (Task 8)***

Taldykorgan was confirmed as the location for the Conference on Small Cities Development, co-sponsored by the Presidential Administration and USAID/Arizona-Kazakhstan. UI provided input into the topics and schedule. It is planned that Akims who have gone through the UI strategic planning process will discuss their experience, and there will also be opportunities to discuss the potential of association building and strengthening democratic culture among city-level akims.

***Kyrgyzstan Activities/Deliverables******Supporting Policy Change at the National Level (Task 1)***

UI held intensive discussions with representatives from the State Architecture Committee and the Ministry of Local Self-Government with regard to the draft regulation On Defining Land Parcels Around Multi-Unit Buildings. As a result, a new version of the draft regulation was developed and was tentatively approved by the representative of the State Architecture Committee. The final draft will be submitted to the Government of the Kyrgyz Republic for consideration and adoption in August. The substance of the text is in line with the technical recommendations that UI has been making for the past year.

Upon request of the Ministry of Local Self-Government, UI provided comments on: 1) the draft regulation On Registration of Common Property of Owners of Apartment and Non-Residential Premises in Multi-Unit Buildings; 2) the draft Service Agreement on Heat Energy; 3) the draft recommendations On Formation of Reserve Funds in Homeowners Associations.

Key players in the development, passage and ultimately implementation of the Law on Financial and Economic Basis of Local Self Governments participated in a decentralization study tour to Albania. The tour focused on defining functional assignments and the corresponding calculation of grants/transfers. Experience and knowledge gained during the study tour will help ensure that the law, once passed, will be implemented in a timely and accurate manner, often a serious problem in Kyrgyzstan. The initial response from the tour has been that senior Ministry of Finance personnel have been convinced of the attractiveness and viability of implementing a formula-driven transfer system for equalization.

The GoK issued a resolution establishing 6 working groups to implement various aspects of the Decentralization Strategy. UI staff is on some of the working groups and Ministry of Local Self-Government officials assure that UI will be informally included into (and counted on to

provide advice to) all of the commissions. Deputy Local Government Minister commented: "Of course we expect UI to help on all of the commissions".

#### ***Asset Management (Task 2A)***

TDY Olga Kaganova was in Kyrgyzstan on July 8-23. UI prepared a seminar on financial issues in managing municipal property in Kyrgyz cities. Two seminars were held for northern and southern regions; in attendance were the staff of municipal property departments of all 22 Kyrgyz cities and 2 ayil okmotus, local real estate professionals, and a representative of



USAID/Chemonics Land Reform Project. The training focused on a 1) review of municipal property classification in cities; 2) municipal property revenues (sources of income and losses); 3) the relationship between the communal property budget and policies; 4) transition period problems; and 5) a computer model for calculation of the lease terms. Of particular interest were simple spreadsheets to perform basic analysis of the lucrativeness of municipal properties considered for lease or sale (see picture of participants calculating losses from non-competitive leasing).

The participants proved to have a good grip on the concepts and the potential benefits of their property. They noted that the major barrier to more aggressive and comprehensive strategies is lack of political will to take on entrenched interests that benefit from utilizing municipal properties under non-transparent practices that have held over from the past.

The Land Reform Committee of the Bishkek mayor's office approached UI with a request for cooperation. UI agreed to provide legal advice and to review and help with their land competition procedures as is necessary and appropriate.

#### ***Association Capacity Building (Task 2B)***

The Association of Cities conducted a seminar on issues related to the legal basis for using municipal property for vice mayors and heads of municipal property departments of all northern cities. A similar seminar was held in the South in June. The timing of the seminars coincided with UI's asset management seminars. The Association also prepared an initial business plan for the next two years as part of its agreement with UI. Despite previous comments, ongoing communication, and help in developing a strategy, the document was deemed not acceptable. In particular, it made no attempt to deal with the Association's problems of non-payment of dues. Suggestions generated subsequently for a Board meeting scheduled on August 1 should go far in making the plan more comprehensive and realistic.

The Association of Villages provided comments to the UI developed Model Budget Village Budget Procedures. Both the Association of Villages and the Association of Cities co-signed letters with UIB to encourage cities and villages to adopt and implement the UI developed model budget procedures. Follow-up regional joint seminars were planned for August.

UI made a presentation in a training session for officials from Batken Oblast organized by the Association of Villages.

#### ***City Strategy and Action Plan (Task 2C)***

Technical assistance and training was initiated to assist Belovodskoe Aiyl Okmotu (village government) to develop a CSAP. Belovodskoe is being tested as a pilot and this approach to village strategic planning may be applied in other ayil okmotu. A first draft Aiyl Okmotu Profile



was compiled, initial stakeholder meetings were conducted and a 2-day Intensive Working Session of the Steering Committee was conducted on 26-27 July to prepare a 1<sup>st</sup> draft CSAP. UI has oral agreement with the project preparation unit of the World Bank's Village Investment Project whereby the latter, under its initial, pilot phase, may provide grants to implement projects emanating from the CSAP and parallel investment project inventory and prioritisation (IPIP).

Technical assistance and training were also initiated with the City of Uzgen to develop a CSAP. A first draft City Profile has been compiled. While developing the Uzgen City Strategy, UI has also started to train two local consultants from the south of Kyrgyzstan to enable them to independently develop strategic plans in the future.

#### ***Increased Transparency and Citizen Participation (Task 2D)***

Public budget hearings were held in Kant and Shopokov cities, and Novo-Pavlovka village. Training on participation in PBHs for NGOs and citizens was held in Kant, Shopokov and Novo-Pavlovka.

The Model Municipal Budget Procedures that were developed last year were substantially modified in accordance with the draft law on Financial and Economic Basis of Local Self Governments. The changes primarily reflect new standard language relating to sub-national budgets and a new budget calendar. Any modifications to the LFEBSLG, which may be made prior to President Akaev's signature, are not expected to affect these model procedures. Similar Village Budget Procedures were also finalized.

#### ***FIS Upgrade and Dissemination (Task 2E & 2F)***

UI is re-drafting the budget instructions to accompany the new sub-national budget templates. The decision to re-draft these instructions is based on the need to educate the sub-national governments on how to double-check their work and to ensure that their data is accurate.

Information from the budget database (2001-2003) has been used repeatedly this month in discussions on property tax, state fees, and special means to demonstrate the real financial situation at the municipal levels. The ability to empirically support our comments is proving very valuable.

#### ***Property Tax Training and Technical Assistance (Task 2G)***

Following a meeting with the BearingPoint Property Tax Advisor, UI is preparing written comments on legislation introducing a property tax. The comments will document UI's continuing concerns with the language in this legislation, i.e. lack potential confusion over whether cities and/or the state will be taxpayers, the overlap with the land tax, and the issue of funding assessments. BearingPoint shares these concerns but hope to address them through implementing regulations.

#### ***Public-Private Partnerships (Task 2H)***

The Tokmok Water Company is implementing the Service Improvement Action Plan and has already made progress on several objectives, equipment needs, and gathering key budget information. Preliminary agreement has been reached with the City Administration and the Water Company that UI will provide three mini-grants to purchase the following items: (1) a computer and software for Tokmok Water Company to improve its billing and customer service systems; (2) supply of chlorine for water purification; and (3) repair or purchase of deep well pumps. All three of these mini-grants will further assist the Water Company in achieving the objectives stipulated in the Action Plan.

***Support to Think Tanks, Research Organizations, and NGOs (Task 2I)***

The new budget training for NGOs and Active Citizens has proven to be quite successful as demonstrated by the level of participation from local NGOs and citizens that are taking part in the training. A significant improvement has been seen in citizen participation from last year's hearings.

***Institutionalizing Training (Task 3)***

UI's training module on Principles of Local Self-Government was delivered by the Association of Cities to ayyl okmotu officials and kenesh members of three pilot villages in the north: Belovodskoe, Novo-Pavlovka and Ivanovka. The training was extremely well received and demonstrates the difficulty ayyl okmotu have in accessing information.

Following a coordination meeting, UI also is renewing its agreement with the Institute of Municipal and State Servants under the Academy of Management to both involve their staff in our direct training and to transfer training materials.

***Housing Association Development (Task 4)***

4 new TSJs (comprising 551 units) were registered in Bishkek by Nash Dom Association. The leader of Bishkek Nash Dom participated in a roundtable for condominiums in Osh. He shared with Osh TSJ leaders the experience of Bishkek condominiums with reserve funds for capital repairs.

Nash Dom hosted a group of condominium leaders and housing officials from Tashkent and Samarkand. The group of 29 people visited 2 condominiums and 1 housing cooperative and met with the leaders of our three partner regional condominium associations, the Deputy Minister for Local Government and Regional Development and Jogorku Kenesh Deputy Pronenko.

UI ensured wide dissemination of the new housing legislation including modifications to the Land Code, the Law on Housing Privatization and the Law on Drinking Water.

The Jalal-Abad regional association conducted a roundtable in the new city of Kochkor-Ata for leaders of condominiums, the rayon and city keneshes, and housing-utilities authorities. Discussion was devoted to the relationship between TSJs and utility providers.

On July 5 the Government of the Kyrgyz Republic conducted a seminar on condominium development in Jalal-Abad. The conference was headed by the Vice Prime-Minister Mr. Jumaliev and the Deputy Head of the Department of Public Service, LSA and LSG of the Prime Minister's Office Davidov. Participants included heads or deputy heads of all cities, representatives of all regional offices of Gosregister, representatives of the State Committee for Architecture and Construction, leaders of the 3 regional condo associations, the Association of Cities and leaders of Jalal-Abad condominiums. UI/Bishkek presented the condominium development component of the LGI program for Kyrgyzstan and further initiated discussions of the difficulties faced by condominiums, particularly the issue of land parcels around multi-unit residential buildings and registration of common property rights. In response to a request from Mr. Davidov, UI/Bishkek presented an overview of housing issues and recommended solutions.

During the Jalal-Abad conference the leaders of UI's 3 partner regional condominium associations received Prime Minister's Certificates of Appreciation for condominium development.

UI/Bishkek conducted a half a day professional meeting for 3 leaders of potential condominiums from Talas in Bishkek. Talas residents met condominium facilitators /registration specialists from Nash Dom and Kiprida condominium.

UI developed recommendations to improve the strategic plans for all 3 regional condominium associations.

Under agreement with AED, UI together with its regional condominium associations conducted 8 2-day trainings. Nash Dom conducted 3 trainings for leaders of TSJs in Karakol, Balykchy and Bishkek; Osh-Konush conducted 2 trainings for leaders of TSJs from Osh; and Jalal-Abad Association conducted 1 in Jalal-Abad and 2 in Kochkor-Ata.

#### ***Community Grants (Task 5)***

UI made a site visit to Shopokov to view the completed grant for “Cleaning of the Drainage System.” The site visit included consultations with Mayor Belokurov, Mr. Berstenev, Deputy City Head and representative of the City Grants Monitoring Commission, Mr. Glinkin and the chief accountant from the contractor “Zodiak Stroi Universal.”

A site visit was also made in Cholpon-Ata for the grant project “Construction of a Public Toilet” and included meetings with Mayor Jumashukurov, the Deputy Mayor, a Contractor’s representative, and representatives of the city grant monitoring commission. CTO Ivan Apanasevich and Ted Priftis from USAID/Washington visited the site in Cholpon-Ata.

One of two grant projects in Naryn “Drinking Water” was completed. The second project “Sewage” will be completed in August.

#### ***Study Tours (Task 6)***

Following the passage of the Law on Financial and Economic Basis of Local Self-Governments at the end of June, a high level delegation of Kyrgyz authorities involved in development, passage and ultimately implementation of this Law were sent on a Study Tour to Albania on 26 July to 3 August. The tour was specifically designed to study experience of Albania in clearly defining functional assignments of LSGs and ensuring that adequate financing is then provided to them using a transparent, formula based methodology. Participants included the Chairman of the Legislative Assembly Budget and Finance Committee; the First Deputy Minister of Finance; First Deputy Minister of Local Self Government; the Deputy Head of the Department of Public Service, LSA and LSG of the Prime Minister’s Office; and the Chief Expert of the Inter-budgetary Department of the Ministry of Finance. This experience should lead to accelerated activity on both definition of functional assignments and analysis of the grants/transfers reforms contained in the LFEBSLG.

Romania has been selected as the best location for the municipal enterprise study tour scheduled for September based on the practical and legal relationship between the local governments and the enterprises, and on the good management and internal procedures of the enterprises themselves.

UI was forced to help substantially on logistics to ensure that our two counterparts, Mr. Sarbagyshev from the Municipal Property Department of Bishkek, and Mr. Nosirov, the Deputy Mayor of Uzgen, were able to attend an OSCE-sponsored local and regional government seminar in Vienna from July 6 to July 19.

## **Tajikistan Activities/Deliverables**

### ***Training for Local Governments Building Constituencies for Local Government (Task 1)***

In the two pilot cities two hundred individuals were trained in basic computer programs including Word, Excel, PowerPoint and Windows. Certificates of completion were presented to the first 25 Kurgan-Tube graduates by Ted Priftis of USAID Washington and Ivan Apansevich USAID Almaty. Completion of the course is necessary for any staff wishing to use the Staff Resource Centers in these cities.

Participants and trainers were identified for a Workshop on Low Cost Solid Waste management methods. An MOU with AED was signed specifying the cost share arrangement for this workshop. A contract was signed with Ted Siegler of DSM Environmental Services to provide training services for the workshop. A manual describing some low-tech alternatives was prepared and translated.

The Tajikistan office held a seminar on “Project Development and Design” for the hukumat (city administration) of Kurgan-Tube. Twenty people participated, including representatives from the financial, architecture, nature protection, health, services departments, the city hospital, and representatives of housing committees, water supply departments, gas supply departments and NGOs. The goal of the training was to provide participants with information about social partnerships and to give them necessary baseline information, instruments and skills necessary for writing projects. Participants were satisfied with the knowledge and skills obtained by them will help them to develop projects. The group was highly motivated and as was indicated by the training work schedule: during second and third day the participants voluntarily stayed till after 18.30 although they started at 8.00. A similar workshop is scheduled in Kulyab for August.

Preparation continued on a workshop on Citizen Participation scheduled for September.

### ***Technical Assistance to Local Governments (Task 2)***

The Staff Computer Resource Centers were opened with Ted Priftis of USAID Washington and the Mayor of each City cutting the red ribbon (see picture). The hukamat staff members that have been trained are using the equipment for their office uses. A log of use is being kept to document the departments and individuals who are the most intensive users. The hukamats have each identified a staff member to be the IT manager for their Resource Center and further training will be identified for these individuals. The Resource Centers are averaging over 20 individuals per day using these facilities.



As part of the training program, trainers are enlisted to provide direct technical support to participants as they implement their training. Trainers Saroshoev and Hairullaev rendered technical assistance in filling out the manual for the seminar “Full Cost Accounting and Fee Setting” at the Department of water supply and Housing production-exploitation trust in Kurgan-Tube. Part 1 of the manual was completed with trainer assistance. Trainer Bozorov and the UI Training manager also provided technical assistance to the housing maintenance company and Water Supply Department to complete filling out of the manual this same manual. A meeting was held with the director and head bookkeeper of the municipalities of Kurgan-Tube. This enterprise is responsible for garbage removal but its employees didn’t take part in the seminar in June. The topic of the seminar was considered urgent because of additional work on

solid waste planned for Kurgan-Tube, so it was agreed that during the first week of August the seminar will be conducted for this department and direct technical assistance provided in filling out the manual.

### ***Social Partnerships (Task 3)***

The Training Manager and the Grants Coordinator met with participants of the seminars on Costs & Fees from the pilot cities. Social partnership grants are being provided in parallel with the technical assistance and to back up the training and technical assistance. To encourage and support grant requests that are consistent with the training activities, UI staff provides technical assistance to the pilot cities as they develop requests for these grants to implement their training.

A meeting with the director, accountant, chief engineer, and head of finance department at the housing and maintenance company was held. Problems of the enterprise and possible topics for grant application were discussed. Meeting participants selected an idea and developed a project "Development of methodology and determining of rates for services of housing stock in Kurgan-Tube". The participants received concrete technical assistance in project development, determination of goals and objectives, development of activities and project budget.

Four proposals for grants were received to implement the training and technical assistance on the Cost & Fees seminar. Evaluation is underway for these grants.

### ***Building Constituencies for Local Government (Task 4)***

Follow-up meetings were held with UNDP concerning when and how to initiate public discussion of the draft legislation on local government

### ***National Policy Level Support (Task 5)***

A coordination meeting was held for donors actively working with the Presidential Working Group on local government legislation (PWG). The meeting was attended by a UNDP representative, UI and Bearing Point representatives. The agenda included coordinating Tajik, Russian and English versions of the draft laws on local government; possible changes to the schedule of work with the PWG; and scheduling of public meetings to be held on the two laws by UNDP. It was agreed to hold a joint scheduling meeting with the PWG upon their return from the Study Tour. At the Study Tour pre-departure orientation meeting, the PWG scheduled this meeting for after their return in August. This meeting will also present an opportunity for the PWG to present its Study Tour Action/Work plan to this group as well.

UNDP will be organizing open meetings to hear public opinion on the draft laws, but does not plan to take notes nor make summaries of these meetings. Assuming that these public meetings occur prior to the PWG final legislative drafting session, UI will send a representative to as many of these meetings as possible to record the issues and provide summaries to the PWG for their consideration as they finalize their drafts of these laws.

### ***Study Tours (Task 6)***

The Urban Institute cost-shared a study tour on decentralization with AED for the members of the Presidential Working Group, one of the pilot city mayors and four other government officials involved in local government decentralization. The study tour left July 26<sup>th</sup> and will return August 5<sup>th</sup>. They were joined by 5 members from Kyrgyzstan. The Study Tour was planned to focus on decentralization strategies with special interest in the assignments of functions to various layers of government and the associated issues of fiscal decentralization. The group returns in August and is expected to have developed a work plan for decentralization activities.

## **Uzbekistan Activities/Deliverables**

### ***National Policy Development (Task 1)***

The Working Group established by UI prepared the draft amendments to the Law on TSJs (housing associations) that were widely discussed at the roundtables and by the experts. The draft legislation was also distributed among high-ranking state officials for review and initial response has been positive. Several key persons in the housing sector in Uzbekistan took part in the study tour to Slovakia, including the Chairman of the Parliamentary Committee that deals with these issues, Izidor Kochmarik. They have promised to lobby national government and parliament for passing the amendments which UI is advocating.

### ***Establish Pilot Locations (Task 2)***

With the aim of selecting the pilot TSJs for demonstrational projects UI held several meetings with three district mayors in Tashkent and the first deputy mayor of Andijan city. The authorities of Namangan oblast expressed their interest in selecting their region as the next pilot site of the project for the Year II.

### ***Public Awareness Campaign (Task 3)***

The announcement and full regulations of “The Best TSJ Practices” competition were publicized in major newspapers in Tashkent, Andijan, Ferghana and Namangan cities. The city and region municipalities provided support to UI in publicizing competition free of charge. Presently, UI started to receive first applications from the interested parties.

At the present time, UI is also receiving media competition materials from the participants and evaluates them on the bases of criteria.

50,000 copies of a brochure on rights and obligations of unit-owners and TSJs are being disseminated in pilot sites and among different organizations. At the same time, UI is getting a positive feedback from recipients. UI finalized designing the booklet on project activities to be published with the circulation of 5,000 copies, which are going to be disseminated at the trainings, seminars, conferences, and among local and foreign partners.

An educational film on the positive experiences of Slovak condominiums was disseminated in city and region state administrations, TKEOs, training centers and Federation of Consumers Rights Protection Societies (FCRPS). Media representatives took interviews from the study tour participants and used educational film for making their programs.

In order to secure media coverage UI invited media representatives to the republican seminar devoted to the results of the study tour to Slovakia and assisted in preparing a series of programs dedicated to the communal services and the study tour. Work on a series of PSA screenplays to educate the public about TSJ operations is under way.

### ***Training Activities (Task 4)***

Following the study tour to Slovakia UI conducted a republican seminar on 7 July for first deputy mayors of twelve regions, TKEO heads and other officials, which was supported by the Cabinet of Ministers and State Agency “Uzkommunhizmat”. The study tour participants shared their impressions and experiences acquired in Slovakia with others and came forward with their recommendations regarding legal improvements and current TSJ operating environment in Uzbekistan.

UI delivered a series of trainings for TSJ leaders and unit-owners in Andijan, Ferghana and Tashkent. It also held a seminar for initiative residents of Tashkent city, who came forward in response to an open invitation published in a newspaper.

It is becoming vivid that as a result of the trainings some TSJ chairpersons are changing management system and starting to use more democratic principles of governance in their TSJs. Some of the UI trained unit-owners are coming with the initiatives of separating from big TSJs.

UI started preparing Training Provider subcontracts with local partner organizations for delivering trainings for unit-owners and TSJ leaders at places.

***Development of Housing Advocacy Groups (Task 5)***

The city TSJ association in Andijan and regional TSJ association in Namangan were recently established by the initiative of study tour participants to Osh, Kyrgyzstan, organized by UI.

UI anticipates engaging in providing support grants to one or several these nascent regional associations of TSJs in September.

***Study Tours (Task 6)***

UI conducted “The Activities of Regional TSJ Associations” study tour to Bishkek for TSJ leaders from Tashkent and Samarkand.

UI held several meetings with all study tour participants in order to monitor their activities.

## D. COUNTRY STAFF TRAVEL CHARTS

### Kazakhstan

EMPLOYEE	Travel During Reporting Period	Expected Upcoming Travel
Boyle (RA)	Taldykorgan 6/30-7/1-2, Taldykorgan 7/17, Issyk-Kul 7/24-26	Kostanai 8/4-9, Annual Leave 8/11 – 8/20, Taldykorgan 9/mid
Bandurina (Program Specialist)	Taldykorgan 6/30-7/1-2, Talgar 7/2, Kapshagai 7/16, Taldykorgan 7/17	Kostanai 8/4-9, Almaty Oblast cities 8/4-9
Sakhanova (Capacity Building Specialist)	Issyk-Kul 7/23-27	Kostanai, 8/early, Taldykorgan 8/mid, Kostanai/Almaty Oblast
Galieva (Program Assistant)	Kostanai 7/8-9, Kapshagai 7/16	Taldykorgan 8/mid, Talgar 8/late
Khodjashova (Training)	Issyk-Kul 7/23-27	Pavlodar 8-9, Taldykorgan
Khassanov (Translator/Media Assistant)	Taldykorgan 7/1-2	

### Kyrgyzstan

Employee	Travel During Reporting Period	Expected Upcoming Travel
Undeland (Country Director/Deputy COP)	On leave 6/11-7/8, Almaty 7/10, Cholpon-Ata 7/23-26	Dushanbe–August 24-28, Tashkent, Almaty September
Kugler (Resident Advisor)	On leave 7/7-18	Osh, Uzgen 8/12-14, Belovodskoe–August
Smith (Resident Advisor)	leave 7/1-7, Tokmok 7/10, Cholpon-Ata 7/23-25, Novo-Pavlovka 7/30	Kok-Jongak 8/7, Dushanbe 8/16-20, Osh 8/21-22, Tokmok–August,
Kaganova (TDY)	In-country 7/9-23	
Alybaeva (Mun.Finance)	Kant 7/2, Tokmok 7/10, Shopokov 7/24, Novo-Pavlovka 7/30	Karakol, Naryn, Balykchy, Osh–8/8
Bekiev (Lawyer)	Balykchy 7/12	
Bektenova (Training)	Cholpon-Ata 7/23-26	Cholpon-Ata 8/1-2, Osh 8/21-22
Chalagyzov (Mun. Finance)	Belevodskoe 7/8, 7/11, 7/15, Kant 7/9	Belevodskoe 8/11, Osh and Uzgen 8/12-14
Gradwal (Condominiums)	Osh, Jalal-Abad 7/4-6	Belevodskoe–August
Mambetova (Lawyer)		Osh 8/21-22
Narusbaeva (Comm. Prop.)	Osh 7/16-18	
Orda (Grants)	Shopokov 7/4, Cholpon-Ata 7/10, 7/23-25	

### Tajikistan

Employee	Travel in Past Month	Expected Upcoming Travel
Nazirova (Decent. Specialist)	Kurgan-Tube 07/16 Kulyab 07/16	Kulyab September
Davis (Country Director)	Kyrgyzstan 7/ 23-26 Albania 7/26-8/5 Kurgan-Tube July 16, Kulyab July 16	Kurgan Tube and Kulyab, August, September October
Kadirov (IT Specialist)	Kulyab 7/9-10 Kurgan-Tube 7/14-17	Kurgan Tube and Kulyab, August, September October
Shomakhmadova (Grants Specialist)	Kulyab 7/4, 8 Kurgan-Tube: 7/2, 16	Kurgan Tube and Kulyab, August, September October
Vahobdjonovich (Training Specialist)	Kulyab: 7/4, Kurgan-Tube 7/9-10 14-17; 30-31, Kyrgyzstan 7/23-26	Kurgan Tube and Kulyab, August, September October

### Uzbekistan

Employee	Travel in Past Month	Expected Upcoming Travel
Gentsler (Country Director)	Andijan, Namangan, Ferghana 07/20-23, Bishkek 07/24-26	
Alieva (Housing Specialist)	Andijan, Namangan, Ferghana 07/20-23, Bishkek 07/24-26	Andijan, Asaka, Namangan 08/14-19
Secret (Training specialist)	Andijan 07/7-10, Bishkek 07/24-26	Andijan, Asaka, Namangan 08/14-19
Turaev (Publications and Media Coordinator)	Bishkek 07/24-26	



## **E. PROGRAMMATIC AND OPERATIONAL ISSUES**

**General.** USAID performed an evaluation of progress of the project as a whole and each of the country programs. CTO Ivan Apanasevich and Ted Priftis of USAID/Washington spent a week in each of the 4 CAR reviewing the programs and providing some feedback on ways to improve and build upon the work completed.

Peter Epstein visited the region in late July and will be departing in mid-August. Peter's work was to participate in UI's program review and planning for Year 2, launch an evaluation of the local government system in Uzbekistan, and assist the Kazakhstan program in the transition after the departure of the former CoP/Country Director.

UI agreed that it will submit its draft of the CAR LGI II Year 2 workplan to USAID on September 19.

**Kazakhstan.** The process of identifying a new country director for Kazakhstan is ongoing, although Eric Boyle is handling these duties at present to ensure continued, smooth implementation. UI is waiting to check on availability of a few candidates in August before submitting its choice to USAID. Peter Epstein from UI/DC will be providing assistance in Kazakhstan work planning in early August.

In July, the recently appointed Prime Minister announced the priorities going into the draft of the government's action plan until 2006. Among the objectives of the cabinet of ministers will be a new central government program on housing and communal issues, the first in several years. An inter-ministerial working group has formed, which will need to develop a program by the end of the year. This, in connection with the June release of the government's draft amendments to the 1997 housing law, suggests that housing and communal services will indeed be a priority for the new government. UI will continue to monitor the central government's activities to see if there are any additional potential niches for TA and/or training that can be exploited. It anticipates being able to provide expert commentary on the draft housing legislation.

After three months of ongoing negotiations, UI/Almaty has secured commitment from the Oblast Administration to start strategic planning in four cities in the region: Kostanai, Rudniy, Arkalyk, Zhetigara. UI/Almaty plans to work in close cooperation with the Small Cities Center to provide TA to the cities, starting with the kick-off workshop on August 6-7<sup>th</sup>. During that same visit, UI representatives plan to discuss with Albert Rau, akim of Lisakovsk city, potential opportunities for involvement in the government working group on functional assignments

UI/Almaty has been working in close cooperation with the Arizona/Kazakhstan Foundation in structuring the August workshop for 60 small-city akims to take place in Taldykorgan. UI is in the process of negotiation with the foundation and co-sponsors the Presidential Administration; however, there is a chance that UI will not participate in the event, because the president's administration has not approved UI list of invitees.

Two of the grantees chosen by the UI/Almaty Board of Experts did not accept their awards. The Semi-Palatinsk newspaper "Golos Naroda" went out of business in June. The Ust-Kaminogorsk KSK "Dom i Ya" did not think it could meet the grant's financial management requirements.

Since May 2003, UI has been in dialogue with the Counterpart-sponsored NGO platform on potential collaboration in social contracting; however, to date, the platform has not expressed explicit interest in cooperation on this issue.

**Kyrgyzstan.** The establishment of government commissions to implement the Decentralization Strategy Action Plan augurs both opportunity and difficulties. On the one hand, work is going forward to implement the Strategy; together with the passage of the Local Financial and Economic Basis of Local Self-Government Law, there appears to be good momentum for fiscal decentralization. However, the government still appears reluctant to address with sufficient will the core issue of functional assignments. UI will be assisting all of the 6 commissions established and will seek to make improvements. However, it does not appear that the GoK in the current political environment is ready to take on the issue of functional assignments. Much will depend on whether the Cabinet of Ministers is changed this fall, as is rumored.

Although preliminary agreement has been reached with the Tokmok City Administration and the Tokmok Water Company on use of the SIAP grant, the specifics have yet to be finalized. One potential stumbling block is higher than expected costs for the computerization of the billing system. UI has been gathering information on the cost of locally developed billing software and initial estimates are somewhat higher than was originally projected. In addition, an expensive printer will have to be purchased in order to allow printing of all the bills. These higher than expected costs will probably result in a review of the planned grant use in August. Possible variants include using all the money for the computerization effort, or reducing or eliminating the money for purchase or repair of the deep well pumps.

The Jogorku Kenesh will approve transferring Naryn to oblast-subordinated status in August. Assuming this does occur, it is very likely, based on the previous pattern in Tokmok and Karakol, that the popularly elected mayor will be dismissed and replaced by the President because of the different arrangement for election of mayors. This would be particularly disruptive to Naryn where only in the last year was a permanent mayor established due to the fact that the December 2001 election was disputed and an acting mayor installed in the interim.

**Tajikistan.** Work with Kulyab was delayed in July and is expected to be delayed through the first half of August. The President has been planning a visit to Kulyab and all hukumat staff have been fully occupied with this. UI Dushanbe was notified by the Mayor that project work cannot practically continue until after the President's visit. His visit has now been delayed to August 8th. Due to this visit, the Mayor was not able to attend the Study Tour to Albania.

Delay in issuing the SOW and processing necessary paperwork for additional funding on national policy issues has undercut UI's plans working with the Presidential Working Group (PWG). The selected expert to work full-time on the national policy work must give 30 days notice to her current employer, and as of this writing, it will be nearly impossible for her to participate in the final legislative drafting retreat with the PWG at the end of August as it is scheduled. This will undercut our effectiveness in following up with the PWG.

As the national policy work increases, there is an emerging need for a more structured form of coordination among those groups working directly in the arena of local government reform. We have convened a meeting for the first week of August with the active players, UI, UNDP and Bearing Point (funded by the World Bank), but there remain concerns. Individual contract needs and usual need to demonstrate success within each of their contracts has the potential for competition rather than cooperation. We are hoping for a consolidated work schedule among these active players developed jointly with the PWG based on the PWG action plan as they developed it during the Study Tour, but there are signs of impatience by UNDP and Bearing Point that could inhibit the PWG's ability to focus on a strategy for local government reform before details.

Following the visit of the Evaluation Team to the Kurgan-Tube garbage dump site and their interviews with the Kulyab First Deputy for Communal services, the Tajikistan office was directed to develop a proposal for USAID funding to mitigate and insofar as possible solve this problem with these cities. Recognizing that at least some of this funding would come from year end 'leavings,' we are working quickly to assemble this information, however it is unlikely to be ready for presentation to UI in DC before the end August. Ted Siegler's TDY ends August 24th, and much of the specifics for this proposal will come from his input.

**Uzbekistan.** UI faced difficulties while conducting the study tours to other countries because of bureaucratic types of procedures for preparing visas for the participants of the study tours. Moreover, there were attempts to demand bribes while crossing the Uzbek-Kazakh border during the Study tour to Bishkek. The Kazakh customs, border, sanitary and ecology services forced to stop the bus with study tour participants for more than three hours without any reasons and explanations.

UI postponed grant programs for the end of the year because local organizations are not yet ready for participation in these programs. At the initial stage of the project UI conducted an Assessment of Local Training Resources for selecting partners on training activities, which was submitted under a separate cover to USAID. None of the training centers or NGOs was ready to conduct trainings on democratic self-governance in TSJs with the effective control of unit-owners. That is why UI postponed the program of Training Provider Grant. UI has responded to this situation by doing more work directly in preparing training materials and trainers.

## F. COUNTRY TASK CHARTS

### Kazakhstan Task Chart

ACTIVITY	RESULTS IN JULY 2003	UPCOMING ACTIVITIES (next 2 months)
<i>Promoting Relationships between Local Govts and NGOs (Task 1)</i>	<ul style="list-style-type: none"> <li>Most sub-grants signed</li> <li>SP workshop and round-tables held in Taldykorgan</li> <li>Discussions for Profi job-fair finalized</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of grants activities</li> <li>SP workshops in Almaty and Kostanai Oblasts</li> <li>CBEDC project start-up in Kostanai and Taldykorgan</li> </ul>
<i>Expanding Citizen Participation/Local Govt Responsiveness (Task 2)</i>	<ul style="list-style-type: none"> <li>Workshops in Almaty Oblast (Anti-Corruption, Work with Local Initiatives)</li> <li>Test-workshop in Pavlodar (Organization of Elections)</li> </ul>	<ul style="list-style-type: none"> <li>Mechanism designed for public hearings roll-out</li> <li>Training per trainings schedule</li> </ul>
<i>Building Local Capacity for Decentralization (Task 3)</i>	<ul style="list-style-type: none"> <li>Small Cities Center starts broad recruiting campaign</li> <li>Assn. of Maslikhat deputies starts political debate club</li> </ul>	<ul style="list-style-type: none"> <li>Grants program ongoing</li> </ul>
<i>Strengthening Local Councils (Task 4)</i>	<ul style="list-style-type: none"> <li>Pavlodar RTC developed election campaigns module</li> </ul>	<ul style="list-style-type: none"> <li>Grants program ongoing</li> </ul>
<i>Housing Reform (Task 5)</i>	<ul style="list-style-type: none"> <li>A test training in Kostanai for KSK based on the newly designed module "Interaction between Local Government Bodies and KSK"</li> </ul>	<ul style="list-style-type: none"> <li>Survey of housing situation in 6 cities</li> <li>Thorough review of new draft housing law.</li> <li>Start of KSK water meter project</li> </ul>
<i>Information Dissemination (Task 6)</i>	<ul style="list-style-type: none"> <li>Grantee newspapers submit articles</li> <li>Round table and press conference in Taldykorgan</li> </ul>	<ul style="list-style-type: none"> <li>Small Cities SP best practices</li> <li>Plan for best practices workshop</li> </ul>
<i>Study Tours (Task 7)</i>	<ul style="list-style-type: none"> <li>AED study tour participants chosen</li> </ul>	<ul style="list-style-type: none"> <li>AED study tour in Hungary for citizen participation</li> </ul>
<i>Central Government Support (Task 8)</i>	<ul style="list-style-type: none"> <li>Preliminary research completed in delineation of functions and housing legislation</li> </ul>	<ul style="list-style-type: none"> <li>Potential niches in those areas to be explored further</li> </ul>



## Kyrgyzstan Task Chart

ACTIVITY	RESULTS IN JULY 2003	UPCOMING ACTIVITIES (next 2 months)
<i>Supporting Policy Change at the National Level (Task 1)</i>	<ul style="list-style-type: none"> <li>Regulation on boundaries of land parcels around multi-unit buildings is tentatively finalized</li> <li>Comments on draft legislation affecting condo owners submitted to the Ministry of LSG</li> </ul>	<ul style="list-style-type: none"> <li>Work with the presidential apparatus on passage of the LFEBLSG</li> <li>Participation on working groups to implement the National Decentralization Strategy</li> </ul>
<i>Asset Management (Task 2a)</i>	<ul style="list-style-type: none"> <li>Regional asset management financial trainings</li> </ul>	<ul style="list-style-type: none"> <li>Identify pilot city for introduction of municipal order</li> <li>Work with Tokmok to develop new charter for the Water Company</li> </ul>
<i>Association Capacity Building (Task 2b)</i>	<ul style="list-style-type: none"> <li>ACKR seminar on municipal property issues for northern cities</li> </ul>	<ul style="list-style-type: none"> <li>ACKR's Board Meeting (Aug.. 1)</li> <li>Budget Procedure Workshops held with the Association of Villages</li> </ul>
<i>City Strategy and Action Plan (Task 2c)</i>	<ul style="list-style-type: none"> <li>CSAP process initiated in Belovodskoe</li> <li>CSAP process initiated in Uzgen</li> </ul>	<ul style="list-style-type: none"> <li>Completed CSAPs in Uzgen and Belovodskoe</li> <li>Work with Eurasia on funding projects identified in the CSAPs</li> </ul>
<i>Increased Transparency and Citizen Participation (Task 2d)</i>	<ul style="list-style-type: none"> <li>PBHs held in Kant, Shopokov, and Novo-Pavlovka</li> <li>Budget training in Kant, Shopokov, and Novo-Pavlovka</li> <li>Model Village budget procedures finalized</li> </ul>	<ul style="list-style-type: none"> <li>Budget trainings and hearings in 3-7 more locations</li> <li>Model Village Budget Procedures workshops</li> <li>Revised Municipal Budget Procedures disseminated</li> </ul>
<i>FIS Upgrade (Task 2e)</i>	<ul style="list-style-type: none"> <li>Work on formulating instructions for new standardized budget forms</li> </ul>	<ul style="list-style-type: none"> <li>Instructions and Order on budget forms finalized by MinFin</li> <li>New FIS format</li> </ul>
<i>FIS Dissemination (Task 2f)</i>	<ul style="list-style-type: none"> <li>Information from the budget database used for discussions on property tax, state fees, and special means</li> </ul>	<ul style="list-style-type: none"> <li>Analysis and report on budget data from 2001-2003</li> <li>Initial computer training for pilot villages</li> </ul>
<i>Property Tax (Task 2g)</i>	<ul style="list-style-type: none"> <li>Comments on the draft law "On Introduction of Real Estate Tax in the Kyrgyz Republic"</li> </ul>	<ul style="list-style-type: none"> <li>Provision of information to cities as appropriate</li> </ul>
<i>Public-Private Partnerships (Task 2h)</i>	<ul style="list-style-type: none"> <li>Preliminary agreement on mini-grants for implementation of the Tokmok SIAP</li> </ul>	<ul style="list-style-type: none"> <li>First monitoring meeting of the Tokmok SIAP</li> <li>Mini-grants completed on Tokmok SIAP</li> </ul>
<i>Support to Think Tanks, Research Orgs, NGOs (Task 2i)</i>	<ul style="list-style-type: none"> <li>Budget trainings conducted by NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Budget trainings by NGOs</li> </ul>
<i>Institutionalizing Training (Task 3)</i>	<ul style="list-style-type: none"> <li>LSG training delivered for 3 northern pilot villages</li> </ul>	<ul style="list-style-type: none"> <li>LSG training for Lebidinivkoe</li> </ul>
<i>Housing Associations (Task 4)</i>	<ul style="list-style-type: none"> <li>4 new TSJs registered in Bishkek</li> </ul>	<ul style="list-style-type: none"> <li>RT for prof. housing management and</li> </ul>

	<ul style="list-style-type: none"> <li>• 8 standard condo trainings</li> <li>• Nash-Dom hosted Uzbek housing delegation</li> <li>• National seminar on condo development</li> </ul>	<ul style="list-style-type: none"> <li>• maintenance promotion</li> <li>• TSJ formation and training ongoing</li> </ul>
<i>Community Grants (Task 5)</i>	<ul style="list-style-type: none"> <li>• Grant monitoring in Cholpon-Ata and Shopokov</li> <li>• Projects completed in Shopokov, Cholpon-Ata, and Naryn</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of grant projects</li> <li>• Grant monitoring and completion</li> </ul>
<i>Study Tours (Task 6)</i>	<ul style="list-style-type: none"> <li>• Kyrgyz participate in decentralization tour to Albania</li> <li>• Two participants attend Vienna seminar on local governance</li> </ul>	<ul style="list-style-type: none"> <li>• Romania municipal enterprise study tour (September)</li> </ul>

### Tajikistan Task Chart

TASK	RESULTS IN JUNE	UPCOMING ACTIVITIES (next 2 months)
<b>Local Government Training (Task 1)</b>	<ul style="list-style-type: none"> <li>• Cost and Fees workshop conducted</li> <li>• ToT conducted</li> <li>• First round of computer training</li> </ul>	<ul style="list-style-type: none"> <li>• Low Cost Technical Solid Waste Managements Workshops (August)</li> <li>• Project Development and Management Workshop (July)</li> <li>• Citizen Involvement Workshop (September)</li> <li>• Capital Investment Planning Workshop (Sept./Oct.)</li> </ul>
<b>Technical Assistance to Local Governments (Task 2)</b>	<ul style="list-style-type: none"> <li>• Installation of computer equipment and opening of Staff Computer Resource Centers in both pilot cities</li> <li>• Technical assistance on grant projects development to participants in the Cost and Fees Workshops</li> <li>• Technical Assistance to participants as they begin the process of developing their service delivery costs</li> </ul>	<ul style="list-style-type: none"> <li>• Work with pilot cities to develop multi-year revenue plans and projections</li> <li>• Continue technical assistance on preparing service delivery costs</li> </ul>
<b>Social Partnerships (Task 3)</b>	<ul style="list-style-type: none"> <li>• Announced second round of grants for Cost and Fees development and Social Partnership grants</li> </ul>	<ul style="list-style-type: none"> <li>• Announce grants for Low Cost Solid Waste Management</li> <li>• Announce grants for citizen involvement</li> </ul>
<b>Building Constituencies for Local Govt. Reform (Task 4)</b>	<ul style="list-style-type: none"> <li>• Process began on identifying potential NGOs, think-tanks, etc. capable of preparing policy papers on local government reform issues</li> </ul>	<ul style="list-style-type: none"> <li>• Identify topics and announce competition for policy papers on local government reform</li> <li>• Decentralization Study Tour to Albania/Slovakia –include NGO and Oblast representatives</li> </ul>
<b>National Level Policy Support (Task 5)</b>	<ul style="list-style-type: none"> <li>• Provide comment and feedback to the Presidential Working Group on its draft legislation. Most comments are being incorporated into the new drafts.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct additional TA for the Presidential Working Group</li> <li>• Sponsor a min-legislative drafting retreat to make final revisions on the draft legislation</li> <li>• Review and comment on the draft revisions to the local government legislation</li> </ul>



		<ul style="list-style-type: none"> <li>• Prepare summary reports for the Presidential Working Group on the roundtables to be held by various donors on the draft laws on local government reform</li> </ul>
<i>Study Tours (Task 6)</i>	<ul style="list-style-type: none"> <li>• Ongoing preparation for the study tour to Albania on decentralization</li> </ul>	<ul style="list-style-type: none"> <li>• Follow up on study tour development and training contractor for delayed decentralization study tour. Decentralization Study Tour to Albania/Slovakia</li> </ul>

Uzbekistan Task Chart

TASK		RESULTS IN JULY 2003		UPCOMING ACTIVITIES (next 2 months)	
<i>National Policy Development (Task 1)</i>		<ul style="list-style-type: none"> <li>Prepared the draft amendments to the Law on TSJs and distributed among high-ranking officials and experts for review</li> <li>Conducted roundtable discussions on amendments to the Law</li> </ul>		<ul style="list-style-type: none"> <li>Review suggestions and proposals of all stakeholders on the draft legislation</li> <li>Conduct discussions on amendments and lobbying them to the national government and parliament</li> </ul>	
<i>Establish Pilot Locations (Task 2)</i>		<ul style="list-style-type: none"> <li>Held meetings with district mayors and first deputy mayor of Andijan city to discuss and select demonstrational projects</li> </ul>		<ul style="list-style-type: none"> <li>Visit different cities for assessing possible pilot sites in the Year II</li> <li>Collect information on current condition of TSJs in pilot sites</li> <li>Assess TSJs for implementing demonstrational projects</li> </ul>	
<i>Public Awareness Campaign (Task 3)</i>		<ul style="list-style-type: none"> <li>Publicized "The Best TSJ Practices" competition in major newspapers</li> <li>Disseminating booklets on the rights and obligations unit-owners and TSJs and educational film</li> <li>Invited journalists to the seminars to secure media coverage</li> <li>Assisted TV journalists in preparing a series of programs on communal services and the study tour to Slovakia</li> <li>Started to work on PSA screenplays</li> <li>Finalized designing the booklet on project activities</li> </ul>		<ul style="list-style-type: none"> <li>Produce and air PSAs</li> <li>Publish and distribute booklet on project activities</li> <li>Prepare second educational film on TSJs</li> <li>Monitor and assess informational materials of media competition participants</li> <li>Conduct meeting of board of experts</li> <li>Assess and analyze "The Best TSJ Practices" competition participants</li> </ul>	
<i>Training (Task 4)</i>		<ul style="list-style-type: none"> <li>Conducted a republican seminar for first deputy mayors and TKE heads in Tashkent on Slovakia study tour results and experiences</li> <li>Conducted a series of trainings for TSJ leaders and unit-owners in pilot sites</li> <li>Conducted a seminar for initiative residents of Tashkent city</li> <li>Started preparing Training Provider subcontracts</li> </ul>		<ul style="list-style-type: none"> <li>Deliver seminars in Andijan, Asaka and Namangan (14-19 August)</li> <li>Design the program of the international conference to be conducted in mid September</li> <li>Discuss cooperation opportunities with HTS project on delivering trainings</li> <li>Monitor the results of trainings</li> </ul>	





<b><i>Development of Housing Advocacy Groups (Task 5)</i></b>	<ul style="list-style-type: none"> <li>• Held meetings with TSJ Associations and their members</li> </ul>	<ul style="list-style-type: none"> <li>• Sign subcontracts for conducting training activities</li> <li>• Prepare necessary documents on providing technical assistance to the existing TSJ associations</li> </ul>
<b><i>Study Tours (Task 6)</i></b>	<ul style="list-style-type: none"> <li>• Conducted study tour to Bishkek for TSJ leaders</li> <li>• Held meetings with all study tour participants</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct follow-up meeting with participants of study tours</li> </ul>

## **MONTHLY REPORT FOR AUGUST 2003**

### **A. HIGHLIGHTS**

- Workshop on Low Tech Solid Waste Management Methods held in Tajikistan pilot cities
- Regional Workshop on Strategic Planning held in Kostanai, Kazakhstan
- Regional Seminars on Model Village Budget Procedures held for 6 village governments and council members in Kyrgyzstan
- Training for residents on democratic governance intensifies in Uzbekistan

### **B. SUCCESS STORY**

#### **Study Tour To Albania Gives Recognition To Value Of Strategic Approach To Local Government Reform**

Urban Institute in partnership with AED organized a study tour to Albania for high-ranking Tajik and Kyrgyz officials on local government reform. The tour's goal was to provide an opportunity for the officials who are charged with local government reform in Tajikistan under the aegis of Presidential Working Group (PWG) to learn the methodology of local government reform and to see some of its effects in real time practice. The Tajikistan officials were joined by key Kyrgyzstan officials who are implementing elements of the country's Decentralization Strategy.

The Tajik study tour group was headed by Constitutional Court Chairperson Aliev. All members of the PWG except the Minister of Justice participated in the study tour as well as the Head of Local Budget Management Department from the Ministry of Finance and Director of the Government Project Implementation Unit for the World Bank's IBTA-II project and the Mayor of the pilot city Kurgan-Tube. Within the study tour program participation of these individuals who are not formal members of the PWG brought their experience and expertise to the program and to the PWG members. Their participation highlighted the necessity to expand the PWG membership to broaden the perspective and support for local government reform.

During the study tour the Tajik participants experienced a major mind shift, recognizing that 1) Responsible local control can be safely achieved; 2) Each level of government must have a specific set of clearly identified functions; 3) Revenue assignments must be made to support the devolution of functions and 4) To achieve the devolution of functions and revenue assignments a broad constituency of stakeholders must be part of the strategic decision process. Upon their return, the study tour participants held a meeting with donors and stakeholders to share the views and discuss future plans for joint cooperation. As part of their Study Tour Action Plan, the PWG recommended a Concept Paper to be presented to the President that would outline their recommendations for a strategic approach and that would request formal authorization to proceed with development of a Strategic Plan for Decentralization of Local Government functions and to expand the membership of the PWG.

In addition to an impassioned statement about the need for functional and revenue assignments, Mr. Aliev stressed the need to pursue organizational issues such as a coordinating council with

broad participation to work with the PWG in the development of the Concept Paper and on a Strategy for Local Government Reform. Participation in this coordinating council would include ministries that would be affected by such devolution of functions with particular emphasis on support and participation by the Ministry of Finance and local government representatives. He also presented the idea that discussion of a ministry or agency to represent the interests of local government should be an integral part of the discussions and the strategic plan. Although not a member of the Study Tour, the Minister of Justice and formal head of the PWG expressed his concurrence with the conclusions of Mr. Aliev and the study tour members. A follow on meeting is scheduled for October to set the schedule and outline for development of the Concept Paper and to review the legislative drafts currently on local government reform being readied for parliamentary action.

## **C. ACTIVITIES**

### **Regional Activities & Deliverables**

While conducting a more in-depth analysis of the housing situation and opportunities for LGI II involvement in Kazakhstan, the country offices of Kazakhstan, Kyrgyzstan, and Uzbekistan exchanged information about their relative housing issues and existing and draft legislation on the issue. UI Kyrgyzstan and Uzbekistan coordinated plans for a visit by Slovak housing experts to the two countries in late September.

UI Kyrgyzstan's Hilary Smith visited Tajikistan for 4 days as part of an exchange of expertise and experience in working on issues related to municipal enterprises. UI Tajikistan was holding a seminar on low cost approaches to improving quality of service and management of solid waste collection. UI Kyrgyzstan shared its experience in developing a service improvement action plan (SIAP) by a public-private working group for the water utility in Tokmok.

Each of the country offices, as well as the UI home office and project offices in Armenia and Moldova, helped identify and arrange logistics for participants and speakers for an international conference for municipal associations held in Kyrgyzstan in early September.

### **Kazakhstan Activities & Deliverables**

#### ***Promoting Relationships between NGOs and Local Gov'ts, CBEDCs (Tasks 1a-c, Task 2)***

UI distributed strategic planning (SP) materials and related successes about SP to all 60 small cities akims at the National Conference on Small Cities Development, jointly organized by USAID/Arizona-Kazakhstan Foundation and the Kazakhstan Presidential Administration in mid-August.

UI held a two-day regional workshop on "Strategic Planning of City Development" in Kostanai together with the Lisakovsk-based Small Cities Center (SCC) and the Oblast Department of Economy and Trade. Representatives from four cities of Kostanai (Kostanai City, Rudniy, Zhetigara, and Arkalyk) participated in the workshop. UI has agreement with the SCC and Economy Department for follow on TA. All cities founded multi-sector Coordinating Committees and drafted schedules for completing their Strategic Plans.

In Almaty Oblast, Talgar finished its preliminary Strategic Plan for UI final review. UI consultants worked with Tekeli and Zharkent to organize public hearings on draft in the beginning of September.

A workshop on organizational strengthening for the Ekibastuz CEBDC was held by Pavlodar RTC. The Local Communities Development Fund (LCDF), with a grant from UI, traveled to Pavlodar Oblast and Kostanai Oblast to conduct the CBEDC evaluation. The Kostanai CBEDC received first tranche of money for sponsoring the Profi youth job fair.

### ***Building Local Capacity for Decentralization (Task 3)***

During the Kostanai SP seminar, the Small Cities Center organized discussions with oblast-level officials on accessing development funds and on inter-budgetary relations, a major concern for rayon-subordinate cities that lack independent budgets.

UI provided commentary and evaluation on grant reports received by grant recipients in local partnership and public policy programs. UI provided consulting for the League of Trainers in proposal writing.

### ***Strengthening Local Councils (Task 4)***

The “Organization of Elections Campaign” training module for maslikhat deputies was completed by Pavlodar RTC. The workshops are to be held in early September in cities in both pilot oblasts.

### ***Housing Reform (Task 5)***

UI finalized the mechanism with KSK Molodezhnaya for the purchase and installation of water meters in the pilot demonstration project.

UI consultants provided technical advice to five KSK chairpersons in Taldykorgan on principles of KSK management and service delivery.

UI has established cooperation with a group of activists (and previously LGI consultants) who have set up an NGO, the Center for Housing and Development, to work on housing issues. In conjunction with UI, the Center is collecting background information on forms of management among condominiums in six cities: Almaty, Taldykorgan, Shymkent, Shakhtinsk, Ust-Kamenogorsk, and Kostanai.

### ***Information Dissemination (Task 6)***

The Kostanai SP workshop received broad coverage in national and local media. Newspapers continued sending articles under the Media Competition. One newspaper, OKO, based in Astana, submitted all eight articles on KSK development, maslikhat elections, and citizen participation.

UI provided the Almaty-based Project Management Center with information on the trainers' database. The UI/Almaty brochure was updated.

### ***Study Tours (Task 7)***

Final selection and all pre-departure arrangements were made for the study tour to Hungary on citizen participation and social partnership techniques, funded by USAID/AED.

### ***Central Government Support (Task 8)***

UI made arrangements to meet in mid-September with representatives from the Ministry of Economy and the Presidential Administration to discuss possible collaboration on Small Cities Developments, where the government stands on functional assignments and the Budget Code, and opportunities for changes in housing legislation.

### **Kyrgyzstan Activities/Deliverables**

#### ***Supporting Policy Change at the National Level (Task 1)***

The Working Group responsible for implementing the economic and financial segments of the National Strategy on Decentralization conducted its kick-off meeting with UI staff member Joldosh Chalgyzov participating as a member.

Follow-up activities for the Albanian Study Tour included the preparation of additional documents that were requested by participants during the study tour and submission of detailed materials to the Ministry of Finance (MOF) regarding the Albanian methodology for formula-driven grants allocations to local self-governments. Using these materials, the MOF will conduct an internal workshop in September on grant calculation methods as a first step toward preparing for application in Kyrgyzstan by 2005. These materials were also provided to the Fiscal Reform Project, from which it is hoped that technical assistance will be provided to the MOF in the future.

Recommendations were provided to the Association of Cities on the detailed approach for clearly assigning functional assignments to local self-governments. The recommendations are in accordance with the National Strategy for Decentralization and build upon the progress made by the GOKR in establishing a Working Group led by a senior official of the Office of the Prime Minister to address this issue. The Association will discuss these recommendations during their International Conference in September.

The draft Regulation On Defining Land Parcels Around Multi-Unit Buildings that was drafted by the State Architecture Committee has been submitted to the Government of the Kyrgyz Republic for consideration and adoption. The final draft of the regulation is in line with the technical recommendations that UI has been making for the past year, though last minute changes are always possible.

#### ***Asset Management (Task 2A)***

On the basis of the two training sessions conducted in July on Financial Aspects of Municipal Property Management, an asset management financial module was developed. The financial module evaluates municipal property problems and discusses methodologies for resolving them. The issues discussed include: 1) municipal property revenue (sources of income and losses); 2) the relationship between the budget and policies; 3) transition period problems; and 4)

development of asset management strategies. This document will be distributed to Kyrgyz cities in September as an attachment to the Asset Management Toolkit.

UI initiated a survey of cities' application of asset management strategies. A questionnaire was developed and disseminated to every Kyrgyz city. At the same time, a brief assessment of the communal property owned by four of our pilot villages, Kurshab, Bazar-Korgon, Ivanovka, and Aravan was conducted. Based on this assessment, it was determined that these villages do not have enough objects of communal property to make inclusion in our asset management component a useful or realistic option.

#### ***Association Capacity Building (Task 2B)***

ACKR held its board meeting. Five out of the seven board members were in attendance. The two primary issues discussed were the development of the Association's business plan and preparation for the International Conference on the Role of Municipal Associations and Experience of Transition Countries in Decentralization.

Following the ACKR Board Meeting, a revised version of ACKR's business plan was submitted to UI. This version was more coherent and encompassed many suggestions previously made by UI, and included new ideas for resolving the non-payment of dues.

The Association of Villages cooperated with UI Bishkek to hold two regional seminars on Model Village Budget Procedures. UI and the Association of Villages have jointly committed to assisting interested pilot villages in tailoring the procedures to meet their needs. In addition, the Association has agreed to make the procedures available to other villages that are not included in UI's scope.

#### ***City Strategy and Action Plan (Task 2C)***

Belovodskoe Aiyl-Okmotu finished their Profile of their locality, which was then formally approved by the Kenesh. The Steering Committee of Belovodskoe held four separate meetings with sectoral heads and managers of large utility companies; CBOs and block committee leaders; the business community; and local Council deputies. Subsequently, the second draft of the Village Strategic Plan was prepared and introduced at a kenesh meeting.

UI signed a partnership agreement with the Project Implementation Unit of the World Bank Village Investment Project (VIP), a 17 million dollar project to provide grants for improvements in villages. UI will conduct strategic planning and investment inventorization and prioritisation exercises in 2 locations and the World Bank will provide money for grants. UI also has continued to provide advice to VIP on structuring its approach, which has led to a somewhat greater role for local governments.

In Uzgen, a first draft of the City Profile was completed and an Initial Stakeholders meeting was conducted followed by a 2-day Intensive Working Session of the Steering Committee on 13-14 August. Thereafter, a 1<sup>st</sup> draft City Strategy was prepared and a series of stakeholder meetings was conducted leading to preparation of the 2<sup>nd</sup> draft, which will be reviewed with the kenesh deputies on September 10.

#### ***Increased Transparency and Citizen Participation (Task 2D)***

Public budget hearings were held in Kok-Jongak, Balykchy, Karakol, and Naryn. Prior to these hearings, training on Participation in PBHs for NGOs and Citizens was held in each location.

UI Bishkek and the Association of Villages held two regional seminars for partner villages on Model Village Budget Procedures (see picture). Participants included village heads and vice-heads, staff of village finance departments, and village kenesh deputies. The purpose of the Model Village Budget Procedures is to develop a clear procedure for consideration, approval, and execution of the village budget and to increase the transparency and accountability of the local government. The procedures also clearly define the rights and responsibilities of the village administration and the village kenesh and provide for substantial input from citizens into the budget development. The head of the MOF Local Budget Department attended both regional seminars and strongly endorsed the model procedures. The seminars were also an excellent opportunity for our pilot villages to network with both the Association of Villages and the Ministry of Finance on a variety of other issues, an opportunity that the villages virtually never have. For many, it was the first time that they had met the Ministry of Finance representative.

The Model Municipal Budget Procedures were revised taking into account changes in national legislation including the draft law on Financial and Economic Basis of Local Self Governments. The revised procedures were disseminated jointly by UI Bishkek and the Association of Cities to every Kyrgyz City.

#### ***FIS Upgrade and Dissemination (Task 2E & 2F)***

UI is re-drafting the budget instructions to accompany the new sub-national budget templates. The decision to re-draft these instructions is based on the need to educate the sub-national governments on how to double-check their work and to ensure that their data is accurate.

#### ***Property Tax Training and Technical Assistance (Task 2G)***

The important assessment regulation will be pending in Parliament in September.

#### ***Public-Private Partnerships (Task 2H)***

UI has provided tentative approval for a series of mini-grants in support of the SIAP work in Tokmok. The grants will be used to purchase the following items: (1) a computer and software for Tokmok Water Company to improve its billing and customer service systems; (2) supply of chlorine for water purification; and (3) the repair of two deep well pumps. After looking at existing off-the-shelf programs and other similar initiatives that UI has been involved in throughout the world, it was determined that the best option is to develop the necessary billing and customer service software in-country. The estimated price is higher than we initially estimated, as a result, the amount of chlorine to be purchased will be reduced and two deep well-pumps will be repaired rather than purchasing any new ones. Despite these minor changes, all three of these mini-grants will substantially assist the Tokmok Vodokanal in achieving the objectives stipulated in the Action Plan.

Partnership Agreements were formally signed with mayors of Tokmok, Balykchi, and Karakol, the cities participating in the September Study Tour to Romania on Municipal Enterprises. By participating in the study tour, the cities were asked to commit to participation in a year-long initiative towards improving the delivery of service. The program includes the development and Implementation of a Service Improvement Action Plan, participate in three audit trainings

(technical, financial, and management) tentatively scheduled to take place in October 2003, January 2004, and Spring 2004, and to conduct each type of audit following the relevant trainings.

***Support to Think Tanks, Research Organizations, and NGOs (Task 2I)***

New trainers successfully delivered budget training for citizens and NGOs in Kok-Jongak, Balykchy, Karakol, and Naryn.

***Institutionalizing Training (Task 3)***

A partnership agreement was renewed between UI Bishkek and the Institute of State and Municipal Management in delivering training to local self-government officials. The agreement formalizes the already existing relationship between our two organizations whereby UI Bishkek provides training materials to the Institute and the Institute conducts the training. The Agreement also stipulates that Institute staff will be more heavily involved in trainings conducted directly by UI Bishkek.

***Housing Association Development (Task 4)***

2 new TSJs (comprising 110 units) in Bishkek, 1 new TSJ (comprising 70 units) in Lebedinovka and 1 new TSJ (comprising 430 units) in Tokmok were registered by Nash Dom Association. 1 new TSJ (comprising 2 buildings and 30 units) was registered in Talas. TSJ “Kerik” is the first officially formed and registered in both Talas city and the entire oblast.

Following a request from Belovodskoe for assistance on condominium promotion, UI met with the deputy head of village government and the deputy head of the rayon government. It was agreed to conduct an informational condominium promotional seminar in Belovodskoe in mid-September.

UI/Bishkek developed a list of individuals and organizations that provide business consultations to those interested in starting up a housing management and maintenance organization. The list, which was developed with the assistance of Pragma/USAID, will be provided to the regional housing associations for further dissemination.

The Jalal-Abad Regional Association conducted a roundtable on housing issues for Tash-Kumyr City condominiums, local authorities, and utility providers. Representatives of 2 village governments (Kyzyl-Jar and Kyzyl-Alma) also participated in the discussion. Issues of delineation of responsibilities for in-building networks as per new legislation, as well as TSJs’ relationships with local governments were discussed during the event.

Osh-Konush Regional Association conducted a roundtable for TSJs and the heat provider to discuss preparation of the buildings for the upcoming heating season.

The Service Provider Agreement (SPA) with AED for condominium democratic governance and management training was modified for the delivery of an additional 17 trainings through October 20, 2003. One training was delivered to leaders of 3 condominiums in Jalal-Abad. Fifteen more training sessions are scheduled for the period of September – October 2003.



UIB developed a case study and distributed to housing associations on the experience of a Kyrgyz housing association (TSJ) in contracting out for management and maintenance service. Another case study was developed with details on accomplishments of “Kiprida” TSJ in Bishkek. The Chairwoman of “Kiprida” TSJ was happy to share her experience saying: *“We’re happy with setting up our TSJ and appreciate the help we received to get organized and registered. Now I want to be of help to others in setting up their own independence.”*

There were two publications in Bishkek local newspaper “Vechernii Bishkek” in August on the good practices of condominiums. One of them was dedicated to “Penaty” TSJ’s experience with out-sourcing. The article strongly encouraged this practise and recommended it for both TSJs and private housing management/maintenance companies.

### ***Community Grants (Task 5)***

Monitoring of two community grant projects in Naryn took place on August 5-6. The Technical Expert made site visits to the projects on “Clean Drinking Water” and “Rehabilitation of the Sewage System” and met with the Mayor of Naryn, representatives of City Grants Monitoring Commission, City Water Company and the executive contractor. The Governor of Naryn Oblast official opened the two improved sites in Naryn.

The project in Cholpon-Ata “Construction of a Public Toilet” has been completed. The City grant monitoring commission of Cholpon-Ata provided the final report followed by supporting financial documents and request for disbursement of the second half of the grant.

### ***Study Tours (Task 6)***

Individuals from the vodokanals and city administrations of Tokmok, Balykchy, and Kyzyl-Kia were selected for participation in the Municipal Enterprise Study Tour to Romania to take place from September 21 to October 1, 2003. Partnership Agreements were signed with the Mayor in each city committing the city to significant follow-up upon return from the study tour including development and implementation of a Service Improvement Action Plan and participation in financial, technical, and management audit training (provided by UI Bishkek) with subsequent performance of each of the three audits.

Additional materials were provided to the Albanian study tour participants that were requested during the trip. Detailed materials were also provided to the Ministry of Finance regarding the Albanian methodology for formula-driven grants allocations to local self-governments. Using these materials, the MOF will conduct an internal workshop in September on grant calculation methods as a first step toward preparing for application in Kyrgyzstan by 2005.

## **Tajikistan Activities/Deliverables**

### ***Training for Local Governments Building Constituencies for Local Government (Task 1)***

On August 14, 15 and 16, a ToT was held for 11 trainers for the “Workshop on Low Tech Solid Waste Management Methods”. Trainers represented communal services departments from cities of Kulyab, Kurgan Tube, Dushanbe and Khojand. Trainers also were drawn from the Ministry of Finance, Agency on Antimonopoly Policy, the State Enterprise On Municipal Services, the

enterprises of municipal services, NGO's and Urban Institute staff. TDY Seigler helped design and deliver the training.

On August 18-19, the Workshop on Low Tech Solid Waste management methods was presented to over 40 participants from the pilot cities, and members of the hukamats of Dushanbe, Khojand, Dangara, Vakhsh, Vose, Kolkhozobod, Hissor, Lenin and Bokhtar areas. Seminar participants also came from the Ministry of wildlife management, Agency on Antimonopoly Policy, and the Khatlon Oblast Khukumat.

As part of the TOT, the trainers spent a day in Kurgan-Tube on site viewing collection sites, the dump site and other solid waste related issues in the field. Discussion of the issues presented in the Workshop and at the Kurgan-Tube sites was led by Ted Siegler of DSM Environmental Services. The trainers and communal services representatives participated in a mutual learning approach.

### ***Technical Assistance to Local Governments (Task 2)***

As part of the training program, trainers provide direct technical support to participants as they implement their training. Trainer Bozorov and the UI's training manager provided technical support to for employees of the municipalities of Kurgan-Tube as they filled out the manual from the "Full Cost Accounting and Fee Setting" project. Participating in this activity were the director, the chief engineer, head bookkeeper and bookkeeper of the enterprise responsible for garbage removal.

The Staff Computer Resource Centers were visited for monitoring purposes. Even during the summer vacation period usage remains stable at 15 -20 individuals per day.

### ***Social Partnerships (Task 3)***

Training activities have brought together the communal services departments from different levels of the government and among the participating cities themselves. This informal meeting has spawned a request from the communal services departments of Khatlan Region, Kulyab, Kurgan-Tube, Khojand and the Tajik Russian Slavic University to provide support for a series of communal services round tables to discuss mutual issues and potential solutions to their common problems. The request includes the opportunity to involve other cities and regions to encourage a broad exchange of information and approaches. Discussions are underway with the University to develop a plan for meeting the needs of this request.

Joint meetings of those participating in the grant process were held in each of the pilot cities. After extensive reviews of the submitted grant requests, a decision was made to combine multiple small requests into a single grant award to each city partnership that will establish a small group of demonstration buildings for water conservation. This project will provide water meters to a specific set of buildings in each community, small improvements such as repair of leaky faucets and toilet valves; extensive citizen education and involvement in discussing the issues of water conservation, collect accurate data on citizen water usage and work with the citizens on establishing equitable and acceptable water rates to accommodate the services. The cost and fees manual will be used to establish the projected costs and necessary fees to accommodate such improvements and begin the process of providing accurate data to identify

the source of water losses. However, the grant submissions still lacked significant amounts of data and a work plan to proceed. UI Grants Coordinator and the UI Training Manager will work with the partners to develop a business plan for each of the projects. Additionally in the city of Kulyab, the UI project will work with the entire communal services department to develop an overall revenue strategy and prepare a Budget Hearing on the strategy for October.

***National Policy Level Support (Task 5)***

Approval was received from USAID for the expansion of the National Policy support component of the program. The members of the PWG were on vacation during August except for their roles in planning the Clean Water Forum so all work with the PWG was postponed to September and October.

***Study Tours (Task 6)***

The return of the PWG Study Tour on decentralization issues to Albania brought heartening recognition of the issues of local government reform necessary to achieve sustainable and responsible service delivery at the local government levels.

**Uzbekistan Activities/Deliverables**

***National Policy Development (Task 1)***

UI has received suggestions and proposals from all stakeholders on the draft legislation and is reviewing them. The final version of the Law on TSJs will be ready after review of suggestions and roundtable discussion in mid September.

***Establish Pilot Locations (Task 2)***

UI proposed Samarkand and Namangan regions as the next pilot sites in the Year II. Presently, separate TSJs are being assessed in Tashkent and Ferghana valley for demonstrational projects.

***Public Awareness Campaign (Task 3)***

UI is preparing a series of public service announcements (PSAs), which explain the rights and obligations of unit-owners and housing associations. The PSAs are expected to be aired on national television and through Internews network of TV stations. The work on the screenplay of the second educational film is under way. The booklet on project activities is being published at the moment.

The materials submitted by the media competition participants are being assessed and UI is summing up the results.

The competition “The Best TSJ Practices” is being finalized. 11 TSJs submitted their applications to participate in the competition; the major reason for the relatively low turnout was both the small prize fund and democratic governance eligibility criteria. Presently, UI is assessing TSJs, competition participants in Tashkent and the cities of Ferghana valley and surveying their members by UI-developed questionnaires.

The winners of both competitions will receive awards on September 25. It is expected that high-ranking U.S Embassy officials as well as Uzbekistani local government and mass media representatives will be present at the ceremony.

UI prepared the preliminary agenda, budget and list of participants of the international conference entitled “The Housing Associations: Development of Professional Management”. The housing specialists and experts from UI/DC, Uzbekistan, Slovakia, Russia, Kazakhstan, Kyrgyzstan and Tajikistan are expected to take part in this conference. The conference will be conducted on September 29-30.

#### ***Training Activities (Task 4)***

UI delivered a series of 6 training sessions in Tashkent and Ferghana valley. One training session was conducted in Tashkent for unit-owners. Two training sessions were for ordinary members of housing associations were delivered in Namangan and two in Andijan. Finally, one training session for TSJ chairpersons was conducted in the city of Asaka, which is situated near Andijan.

In order to conduct future monitoring of the effectiveness of the trainings UI held meetings with two agencies “Expert” and REG, which specialize on social researches.

UI held meetings with AED/USAID specialists in order to discuss the trainings and study tours to be conducted in 2004, and assisted AED/USAID to develop Training Requests (TRs).

#### ***Development of Housing Advocacy Groups (Task 5)***

UI concluded an agreement with the Federation of Consumers Rights Protection Societies (FCRPS) for conducting training sessions for specialists of consultative centers that directly deal with TSJ issues in Uzbekistan.

UI assisted Andijan region Territorial Communal Maintenance Union (TKEO) in developing the bylaws of the club “Mulokot” (Dialogue), an informational center for TSJs, and necessary documents for registration. This club will be a training, consultative and informational center for Andijan region TSJs.

#### ***Study Tours (Task 6)***

UI conducted follow-up meetings with the study tour participants to Slovakia in order to discuss the program of the international conference on professional management and their participation in the conference.

**D. COUNTRY STAFF TRAVEL CHARTS****Kazakhstan**

<b>Employee</b>	<b>Travel During Reporting Period</b>	<b>Expected Upcoming Travel</b>
Boyle (RA)	Kostanai 8/5-7; Leave 8/11-20	Almaty Oblast Small Cities; Astana 9/11-12, Istanbul 10/4-5
Bandurina (Planning Program Specialist)	Kostanai 8/5-7, Taldykorgan 8/10-11, 8/20	Almaty Oblast Small Cities
Sakhanova (Capacity Building Specialist)	Taldykorgan 8/11-13,	Bishkek 9/3-5, Astana 9/11-12
Galieva (Program Assistant)	Taldykorgan 8/20	Kostanai 9/8-11, Tashkent 9/29-30
Khodjashova (Training Coordinator)	Ekibastuz 8/25-27	Budapest 9/6-13; Almaty Obl. Small Cities
Khassanov (Translator/Media Assistant)	Ekibastuz 8/25-27	Kostanai 9/mid;

**Kyrgyzstan**

<b>Employee</b>	<b>Travel During Reporting Period</b>	<b>Expected Upcoming Travel</b>
Undeland (COP)		Cholpon-Ata 9/3-9/6, Almaty 9/10, 9/22-23, Tashkent 9/28-10/3, Istanbul 10/3-6, Dushanbe 10/6-9, Family leave beg. 10/14
Kugler (Resident Advisor)	Belovodskoe 8/8, 8/29, Osh/Uzgen 8/12-14	Belevodskoe, Kurshab, Uzgen–September; Istanbul 10/1-7, Project departure 10/15
Smith (Resident Advisor)	Kok-Jongak 8/7, Dushanbe 8/16-20, Osh 8/21-22, Annual leave 8/22-9/5	Romania 9/21-10/1, Tokmok–September/October, Balykchy–October
Alybaeva (Mun.Finance)	Naryn 8/7-8, Balykchy 8/19, Karakol 8/20	
Bektenova (Training)	Cholpon-Ata 8/1-2	Cholpon-Ata 9/3-9/6, Osh
Chalagyzov (Mun. Finance)	Belevodskoe 8/8, 8/11, 8/20, 8/28, 8/29, Osh/Uzgen 8/12-14	Belevodskoe, Kurshab Uzgen–September
Gradwal (Condominiums)	Belovodskoe 8/28	Belovodskoe–September, Tashkent 9/28-10/1
Mambetova (Lawyer)	Osh 8/21-22	Balykchy 9/9, Romania 9/21-10/1
Narusbaeva (Comm. Prop.)		Naryn 9/10-11, Karakol–September
Orda (Grants)		Balykchy 9/9, Kyzyl-Kia, Karasuu 9/15

**Tajikistan**

<b>Employee</b>	<b>Travel in Past Month</b>	<b>Expected Upcoming Travel</b>
Davis (Country Director)	8/5 –Return from Albania Study Tour 8/12, 19, 20, 26 Kurgan-Tube, 8/13, 26 Kulyab, 8/29 Khojand	Kurgan Tube & Kulyab September, October, Khujand Sept., October Potential sites in Sept-Oct Istanbul, Oct.2-6
Nazirova Decentralization Specialist		Travel to UNDP public meetings in 8 sites throughout the country (Sept.) Khatlan Region cities
Kadirov IT Specialist		Kurgan-Tube, Kulyab Sept; Oct Khojand –October; Potential Expansion cities Sept; Oct
Shomakhmadova Grants Specialist	8/3, 13 Kulyab; 8/4, 12, 19 Kurgan-Tube	Kurgan-Tube, Kulyab Sept; Oct Khojand –Oct; Potential Expansion cities Sept; Oct Kyrgyzstan 9/1-8
Inamov Training Specialist	8/11, 13, 28 Kulyab, 8/8, 12, 20 Kurgan-Tube, 8/29 Khujand	Kurgan-Tube, Kulyab, Khojand Potential Expansion cities Sept; Oct
Safarov; Translator	8/12, 19, 20, 26 Kurgan-Tube, 8/13, 26 Kulyab, 8/29 Khojand	Kurgan-Tube, June, July, August Kulyab, June, July, August Potential Expansion cities Sept; Oct

## Uzbekistan

Employee	Travel in Past Month	Expected Upcoming Travel
Gentsler (Country Director)	On leave 08/4-22	Andijan, 09/15-16
Alieva (Housing)	Andijan, Namangan, Ferghana 8/27-31	Andijan, 09/15-16
Secret (Training)	Andijan, Asaka, Namangan 08/18-24	
Turaev (Publications/Media)		Andijan, 09/15-16
Kakhorova (Admin assistant)	Andijan, Asaka, Namangan 8/18-24	
Mannanova (Program assistant)	Andijan, Namangan, Ferghana 8/27-31	

## E. PROGRAMMATIC AND OPERATIONAL ISSUES

**General.** Much of August and early September were spent reviewing impact from Year 1 activities, devising strategies for Year 2 and preparing corresponding workplans.

**Kazakhstan.** UI representatives and partners attended the national seminar on small cities development, organized in Taldykorgan by the Presidential Administration, the Arizona-Kazakhstan Partnership Foundation, and the Almaty Oblast Akimat. From approximately 100 total participants, the workshop selected 12 people for a study tour to the United States. At the seminar, the Almaty Oblast Akim demonstrated his interest in establishing a national Association of small cities, and an initiative group of 7 akims was selected to assess the need for such an association. Members of the group visited Lisakovsk to learn the city's experiences. Although UI questions the commitment of the initiative group, we will continue monitoring developments and promote the idea of an association of small cities.

In other positive developments in Taldykorgan, an Oblast NGO conference was held to select delegates to the national Civil Forum in Astana. Of the five organizations from Almaty Oblast that will attend the Forum, two are UIs grant winners (Association of Initiative Schools and the *Kontakt* Society of Protecting Consumers' Rights).

UI is working in close cooperation with IRI and NDI on pre-election monitoring and campaign activities. According to the Central Election Commission, only 10% of candidates indicated that they are current Maslikhat deputies. This could mean that turnover could be quite high, already anticipated at 60% - 80%. Although there have been some noted administrative violations, it is difficult to assess at this time how free and fair the elections will be. UI is planning on soliciting support from other donors and partners for a broad training and materials distribution to the new corpus of Maslikat deputies, assuming no systematic and flagrant violations transpire. Since there will invariably be run-offs for most seats, capacity-building efforts probably won't take place until December 2003 at the earliest.

The experimental KSK water meter project in Kostanai experienced organizational difficulties, as the partner was initially unwilling to follow USAID procurement procedures in purchasing the equipment. These barriers seem to have been overcome; however, it is still difficult to fully assess whether the partner will follow through on its commitments. UI is planning a trip in early September to Kostanai to resolve the problem.

Inna Bandurina, the program specialist who worked on strategic planning, announced that she has accepted a job at the British Embassy. UI is in the process of identifying a replacement. In addition, an announcement will be made soon regarding the second expatriate Resident Advisor for Kazakhstan.

**Kyrgyzstan.** The logistical arrangements for the International Conference on the Role of Municipal Associations and Experience of Transition Countries in Decentralization were extremely difficult. Many of the problems were linked to the positive fact that demand for inclusion in the conference is high. Several high government officials have indicated that they will participate in the conference including the Prime Minister's Office and the Ministry of Local Self Government. The agenda is being modified to include these speakers. In addition, because of competing events the Hotel Aurora, where the conference will be held, revoked reservations previously confirmed in writing. Participants will have to be lodged at neighboring hotels and transported to the Hotel Aurora for the conference. A separate write-up of the conference was submitted to USAID.

The revision of the Financial Information System (FIS) will be delayed from the timeframe envisioned in the Year 1 workplan. Although initial analysis was performed to determine which platform to use for the upgraded FIS (Access was determined to be the best option), substantial development of the new FIS format has been delayed until completion of the new sub-national reporting formats. These forms will ultimately be included in the FIS in order to maximize its usefulness and therefore are an important component. Discussions were held with the Ministry of Finance in August in an effort to accelerate the completion of these forms. It was agreed that more focus would be put on these to finalize and approve them in the near future.

**Tajikistan.** At the request of the USAID Mission Director the Tajikistan Country Director visited Khojand and met with the Mayor and the communal services director and staff members. The Mayor identified potable water, solid waste and housing as his biggest problems. He has some support from the EBRD for potable water projects. The Mayor is open to working with us on housing issues and on the Cost Accounting and Fee setting project –particularly for solid waste and potentially to implement higher fees. They increased their fees last year from .9 Somonis per capita per year to 1.95 Somonis per capita per year ---basically from 30 cents to 60 cents per capita per year –with a 25% or a 60% collection rate depending on who gave me the number. It is a start, but obviously a bit short of reality.

The mayor is also willing to participate in holding our basic workshop on solid waste issues and low-tech management methods. Two members of the Oblast communal services offices attended this workshop when we held it during August. We would hold it for Khojand and the 5 small cities that surround Khojand.

However, like Kurgan Tube and Kulyab, his biggest problem is the dumpsite itself. The Khojand site is full --piled 12 to 20 feet high on the entire 8-hectare site. When the road is iced over, the 2-kilometer side road to the site is the alternate dumpsite. They also dump it along the riverfront where they are growing rice and corn.

On the basis of this visit, and the Mayor's interest in cooperation, we have included Khojand as an expansion City for Year 2 –primarily for issues of solid waste.

Transportation continues to be a problem. During August cars, vans etc. broke down from poor maintenance, over heating and general vehicle malaise on all but one of our trips. The second day of TA and trainer on site training for the solid waste Workshop was canceled when the newest rental van broke down 30 km out of Dushanbe on its way to Kulyab. Given the amount of travel that we do, and the expansion to additional cities for the second year of the project, this problem increases the stress and travel constraints. We continue to look for better vehicles, but it is tough.

Adequate translation also continues to be a problem. Although we try to work through the language and jargon with translators before meetings and workshops, the general difficulties of translating concepts is tough. We had one translator that we found was translating “collection of solid waste and disposal” as “*gathering dust and its burial place.*” Guess it got the concept across –but didn’t quite match the technical language. We now insist that all written translation be read by at least two individuals before it is ever used or sent out. One of these readers needs to be a native speaker or at least extremely fluent in the original language to assure that the meaning gets transferred from the original to the translation.

**Uzbekistan.** UI widely publicized the competition “The Best Practices in 2003” in the main newspapers in Tashkent and Ferghana valley, as well as through local partners. But UI received applications from only 11 TSJs. 3 from Tashkent, 2 from Andijan region, 4 from Namangan region and 2 from Ferghana region.

UI received only a small number of applications because the majority of TSJs in Uzbekistan do not conform to the main criteria of the competition – democratic management in TSJs that includes appointment by election of the TSJ board members and provision of accounts by the board members to TSJ members, participation of unit-owners/members of housing associations in decision making regarding the common property and control of its implementation. First of all it is related to the largeness of the housing association and their establishment by administrative way. Only two TSJs from 11 are established in a separate building, two TSJs manage 5 buildings and others manage from 20 to 55 buildings.

The chairpersons of the housing associations that participate in the competition (9 from 11) passed UI trainings on the principles of democratic management and started to change the system of management in their TSJs. That’s why they decided to take part in the competition.

The assessment of the authenticity of the competition documents conducted at places by way surveying ordinary TSJ members showed that in majority the TSJs that manage from 1 to 5 buildings conform to the criteria of democratic management.

UI is planning to use the results of the competition for propagation of the idea of “small” TSJs in which unit-owners can actually take part in decision-making and control of TSJ activities.

Moreover, competition participants from Ferghana valley faced some technical problems in submitting the necessary documents. The housing associations situated outside of oblast centers do not have the opportunities to print out documents. In addition, the packages with competition documents were sent back by the post office to two TSJs for some unexplainable reasons such as the envelope is inconsistent with the standard measures, or the papers inside envelope were paper clipped with metallic clips. Therefore UI is planning to provide technical assistance to the emerging regional TSJ associations, which can provide services to their members.



## F. COUNTRY TASK CHARTS

### Kazakhstan

ACTIVITY	RESULTS IN AUGUST 2003	UPCOMING ACTIVITIES (next 2 months)
<i>Promoting Relationships between Local Govts and NGOs (Task 1)</i>	<ul style="list-style-type: none"> <li>SP materials distributed to all 60 small cities akims</li> <li>SP workshop in Kostanai Oblast</li> <li>CBEDC evaluation and training</li> </ul>	<ul style="list-style-type: none"> <li>SP TA for Almaty Oblast and Kostanai Oblast Cities</li> <li>Taldykorgan CBEDC project</li> </ul>
<i>Expanding Citizen Participation/Local Govt Responsiveness (Task 2)</i>	<ul style="list-style-type: none"> <li>Workshop in Almaty Oblast (Citizen Participation)</li> <li>Workshops in Taldykorgan and Kostanai (Organization of Election Campaign)</li> </ul>	<ul style="list-style-type: none"> <li>Public Hearings for SP in Zharkent, Tekeli, Usharal</li> <li>Training per trainings schedule: four workshops in September</li> </ul>
<i>Building Local Capacity for Decentralization (Task 3)</i>	<ul style="list-style-type: none"> <li>Discussions on interbudgetary relations held.</li> <li>Mid-term evaluation of grants recipients.</li> </ul>	<ul style="list-style-type: none"> <li>Conference in Kyrgyzstan on city association development</li> <li>Grants program ongoing</li> <li>Public hearings in Lisakovsk on dephosphorization (a grant winning project)</li> </ul>
<i>Strengthening Local Councils (Task 4)</i>	<ul style="list-style-type: none"> <li>Election campaign workshop held</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>Design of training support new maslikhat corpus.</li> <li>Grants program ongoing</li> </ul>
<i>Housing Reform (Task 5)</i>	<ul style="list-style-type: none"> <li>Housing survey continues</li> <li>TA provided to Taldykorgan KSKs</li> </ul>	<ul style="list-style-type: none"> <li>Water meter equipment to be purchased and installed in Kostanai's KSK "Molodezhnaya"</li> <li>A workshop in Tashkent on Housing Partnerships and Development of Professional Management</li> </ul>
<i>Information Dissemination (Task 6)</i>	<ul style="list-style-type: none"> <li>grantee newspapers submit articles</li> <li>information sharing activities continue</li> </ul>	<ul style="list-style-type: none"> <li>Year one best practices and case studies finalized</li> </ul>
<i>Study Tours (Task 7)</i>	<ul style="list-style-type: none"> <li>Final arrangements made for AED study tour participants</li> </ul>	<ul style="list-style-type: none"> <li>AED study tour in Hungary for citizen participation (September)</li> </ul>
<i>Central Government Support (Task 8)</i>	<ul style="list-style-type: none"> <li>Meetings arranged with central gov't officials on small cities development and</li> </ul>	<ul style="list-style-type: none"> <li>Potential niches in small cities development, delineation of functions, and housing legislation to be explored further</li> </ul>



## Kyrgyzstan

ACTIVITY	RESULTS IN AUGUST 2003	UPCOMING ACTIVITIES (next 2 months)
<i>Supporting Policy Change at the National Level (Task 1)</i>	<ul style="list-style-type: none"> <li>1<sup>st</sup> meeting of the Working Group implementing economic and financial portions of the Decentralization Strategy</li> <li>Draft reg. on Land Parcels submitted to GOKR</li> </ul>	<ul style="list-style-type: none"> <li>Work with the presidential apparatus on passage of the LFEBSG</li> <li>Participation on working groups to implement the National Decentralization Strategy</li> </ul>
<i>Asset Management (Task 2a)</i>	<ul style="list-style-type: none"> <li>Development of the asset management financial module</li> <li>Questionnaire developed to assess cities application of asset management strategies</li> <li>Assessment conducted on pilot villages municipal property</li> </ul>	<ul style="list-style-type: none"> <li>Asset management training for Naryn city kenesh (September)</li> <li>Identify pilot city for introduction of municipal order (October)</li> <li>Complete survey of cities application of AM strategies (November)</li> <li>Work with Tokmok to develop new charter for the Water Company</li> </ul>
<i>Association Capacity Building (Task 2b)</i>	<ul style="list-style-type: none"> <li>ACKR's Board Meeting held</li> <li>ACKR's Business Plan re-submitted and accepted</li> <li>Regional Budget Procedure Seminars held with the Assoc of Villages</li> </ul>	<ul style="list-style-type: none"> <li>International Conference on the Role of Municipal Associations and Experience of Transition Countries in Decentralization (Sept.4-5)</li> </ul>
<i>City Strategy and Action Plan (Task 2c)</i>	<ul style="list-style-type: none"> <li>Belovodskoe Aiyl-Okmotu profile completed</li> <li>2-day working session of the Uzgen Steering Committee</li> </ul>	<ul style="list-style-type: none"> <li>Completed Strategic Plans in Uzgen and Belovodskoe</li> <li>Work with Eurasia on funding projects identified in the CSAPs</li> </ul>
<i>Increased Transparency and Citizen Participation (Task 2d)</i>	<ul style="list-style-type: none"> <li>PBHs held in Kok-Jangak, Karakol, Balykchy, and Naryn</li> <li>Regional Model Village Budget Procedures seminars</li> <li>Revised Municipal Budget Procedures disseminated</li> </ul>	<ul style="list-style-type: none"> <li>Budget trainings, hearings in 1-2 more locations (Osh, Jalal-Abad)</li> <li>Training on Budget Process and Procedures for Bazar-Korgon kenesh deputies (mid Sept.)</li> </ul>
<i>FIS Upgrade and Dissemination (Task 2e and 2f)</i>	<ul style="list-style-type: none"> <li>Work on formulating instructions for new standardized budget forms</li> </ul>	<ul style="list-style-type: none"> <li>Instructions and Order on budget forms finalized by MinFin</li> <li>Initial computer training for pilot villages (mid Sept.)</li> </ul>
<i>Property Tax (Task 2g)</i>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Provision of information to cities as appropriate</li> </ul>
<i>Public-Private Partnerships (Task 2h)</i>	<ul style="list-style-type: none"> <li>Formal proposal and justification on mini-grants for implementation of the Tokmok SIAP</li> <li>Partnership Agreements, including development of SIAPs, signed with Balykchy and Kyzyl-Kia</li> </ul>	<ul style="list-style-type: none"> <li>First monitoring meeting of the Tokmok SIAP</li> <li>Mini-grants completed on Tokmok SIAP</li> <li>SIAP development in Balykchy and Kyzyl-Kia</li> <li>Technical Audit training (October)</li> </ul>



<b>Support to Think Tanks, Research Orgs, NGOs (Task 2i)</b>	<ul style="list-style-type: none"> <li>Budget trainings by NGOs in Kok-Jongak, Balykchy, Karakol, Naryn</li> </ul>	<ul style="list-style-type: none"> <li>Budget trainings by NGOs</li> </ul>
<b>Institutionalizing Training (Task 3)</b>	<ul style="list-style-type: none"> <li>Statement of Cooperation Agreement signed with Institute of State and Municipal Management</li> </ul>	<ul style="list-style-type: none"> <li>LSG training for villages held by the Institute</li> </ul>
<b>Housing Associations (Task 4)</b>	<ul style="list-style-type: none"> <li>2 new TSJs in Bishkek, 1 in Lebedinovka, 1 in Tokmok</li> <li>SPA with AED modified for additional 17 condo trainings</li> <li>First TSJ registered in Talas</li> <li>Case studies developed</li> </ul>	<ul style="list-style-type: none"> <li>Seminars on professional housing management and maintenance promotion (9/25, 26, 27)</li> <li>Condominium promotion seminar in Belovodskoe</li> <li>Development of general condo governance information module</li> <li>Development of the legal information for TSJs module</li> </ul>
<b>Community Grants (Task 5)</b>	<ul style="list-style-type: none"> <li>Completion and monitoring of grant projects in Naryn</li> <li>Completion of grant projects in Cholpon-Ata</li> </ul>	<ul style="list-style-type: none"> <li>Completion and grant monitoring in Balykchy, Kyzyl-Kia and Kara-Suu</li> </ul>
<b>Study Tours (Task 6)</b>	<ul style="list-style-type: none"> <li>Participants selected for Romanian study tour</li> </ul>	<ul style="list-style-type: none"> <li>Romania municipal enterprise study tour (9/21-30)</li> </ul>

## Tajikistan

TASK	RESULTS IN AUGUST 2003	UPCOMING ACTIVITIES (next 2 months)
<b>Local Government Training (Task 1)</b>	<ul style="list-style-type: none"> <li>Low Tech Workshop attracted over 40 participants and immediate result was a request for communal services round tables to discuss mutual issues and potential solutions to common problems</li> </ul>	<ul style="list-style-type: none"> <li>Conduct Project development and management Workshop in Kulyab (September)</li> <li>(Conduct Citizen Involvement Workshop (Sept/Oct)</li> <li>Conduct Capital Investment Planning Workshop Oct/Nov.</li> <li>Identify expansion cities and conduct introductory seminar</li> </ul>
<b>Technical Assistance to Local Governments (Task 2)</b>	<ul style="list-style-type: none"> <li>Work with pilot cities to develop Multi Year Revenue plans and projections</li> </ul>	<ul style="list-style-type: none"> <li>Finalize Multi Year Revenue plans and projections</li> <li>Continue technical assistance on preparing service delivery costs</li> <li>Technical assistance to develop final work plan and business plan for demonstration social partnership on water conservation and fee setting</li> </ul>
<b>Social Partnerships (Task 3)</b>	<ul style="list-style-type: none"> <li>Request for Communal services round tables to share information and solutions among cities participating in the program with other communities</li> </ul>	<ul style="list-style-type: none"> <li>Announce grants for Low Cost Solid Waste Management</li> <li>Announce grants for Citizen Involvement</li> </ul>

<b>Building Constituencies for Local Govt. Reform (Task 4)</b>		<ul style="list-style-type: none"> <li>Continue to look for potential think tanks and NGO's capable of producing credible policy papers</li> </ul>
<b>National Level Policy Support (Task 5)</b>	<ul style="list-style-type: none"> <li>An extremely ambitious Work Plan developed by the PWG and supported by the Minister of Justice</li> <li>Willingness of PWG to move forward and look for the political support to develop Concept Paper on Decentralization for sustainability of the process</li> <li>Desire and understanding of the group to expand its composition to have higher level expertise</li> </ul>	<ul style="list-style-type: none"> <li>Conduct additional TA for the Presidential Working Group</li> <li>Sponsor a mini legislative drafting retreat to make final revisions on the draft legislation</li> <li>Review and comment on the final draft revisions to the local government legislation</li> <li>Prepare summary reports for the PWG on the Round Tables to be held by various donors about the draft laws on local government reform</li> <li>Work with the PWG to develop an Action Plan and schedule for future work</li> <li>Coordinate comments and work for the PWG with other active donors.</li> </ul>
<b>Study Tours (Task 6)</b>	<ul style="list-style-type: none"> <li>Major shift in the emphasis of the PWG based on the training during the Albanian Study Tour on decentralization and local government reform</li> </ul>	<ul style="list-style-type: none"> <li>Follow up on Work/Action plan as developed by the PWG</li> </ul>

## Uzbekistan

<b>TASK</b>	<b>RESULTS IN AUGUST 2003</b>	<b>UPCOMING ACTIVITIES (next 2 months)</b>
<b>National Policy Development (Task 1)</b>	<ul style="list-style-type: none"> <li>Received suggestions and proposals from all stakeholders on the draft legislation and is reviewing them.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare the last version of the Law on TSJs</li> <li>Conduct roundtable discussions on amendments (the last version of the Law on TSJs) (mid of September)</li> <li>Provide the law to the Uzbek State Agency "Uzkommunhizmat" and Parliament</li> </ul>
<b>Establish Pilot Locations (Task 2)</b>	<ul style="list-style-type: none"> <li>Pilot locations are selected for the second year of the project.</li> </ul>	<ul style="list-style-type: none"> <li>Assess TSJs for implementing demonstrational projects</li> <li>Collect information on current condition of TSJs in pilot sites</li> </ul>
<b>Public Awareness Campaign (Task 3)</b>	<ul style="list-style-type: none"> <li>A series of PSAs are being prepared</li> <li>Booklet on project activities is being published</li> <li>Assessed media competition participants</li> <li>Assessed Best TSJ Practices competition participants</li> <li>Prepared the preliminary program and list of participants of the</li> </ul>	<ul style="list-style-type: none"> <li>Air PSAs</li> <li>Distribute booklet on project activities</li> <li>Prepare the screenplay of the second educational film on TSJs</li> <li>Conduct meeting of board of experts for both</li> </ul>



	international conference	competitions <ul style="list-style-type: none"> <li>• Award winners of the media competition (Sept. 25)</li> <li>• Award winners of “The Best TSJ Practices” competition (Sept. 25)</li> </ul>
<b>Training (Task 4)</b>	<ul style="list-style-type: none"> <li>• Delivered 6 trainings in Tashkent and Ferghana valley</li> <li>• Held meetings with agencies that specialize on social researches for conducting monitoring of the trainings</li> <li>• Prepared scope of work and budget for subcontracts for training activities to be conducted by three organizations</li> <li>• Held talks with AED/USAID on trainings and study tours for 2004</li> <li>• Assisted AED/USAID to develop Training Requests.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct the international conference in Tashkent in 29-30 September</li> <li>• Conduct two seminars with Soros Foundation on choosing contractors by tender and writing applications for grants (Sept. 4-7)</li> <li>• Conduct seminars for unit-owners in pilot TSJs</li> <li>• Sign subcontracts with two training centers for conducting training activities</li> </ul>
<b>Development of Housing Advocacy Groups (Task 5)</b>	<ul style="list-style-type: none"> <li>• Assisted Andijan region TKEO in developing the bylaws of the club “Mulokot” (Dialogue) and necessary documents for registration.</li> </ul>	<ul style="list-style-type: none"> <li>• Sign subcontracts with FCRPS for conducting training activities</li> <li>• Prepare necessary documents on providing technical assistance to the existing TSJ associations</li> </ul>
<b>Study Tours (Task 6)</b>	<ul style="list-style-type: none"> <li>• Conducted follow-up meeting with participants of study tours</li> </ul>	<ul style="list-style-type: none"> <li>• Invite the participants of all study tours to the international conference</li> <li>• Meet study tour participants to Kyrgyzstan and assist in establishing TSJ associations</li> </ul>

## MONTHLY REPORT FOR SEPTEMBER 2003

### A. HIGHLIGHTS

- Kyrgyz President Akaev signs the Law on Financial and Economic Basis of Local Self Governments
- International conference on municipal associations and decentralization held in Kyrgyzstan
- International conference on democratic governance and management options in housing associations held in Uzbekistan
- Study tour to Hungary on citizen participation techniques and social partnership for Kazakhstani participants
- UI partner cities in Kazakhstan hold three public hearings on environmental issues, the first of their kind
- Study tour to Romania on municipal water enterprises for Kyrgyz participants
- New Kazakhstan Country Director Douglas Grube and Tajikistan second Resident Advisor Gisela Nauk deployed
- Workplan for Year Two of CAR LGI Phase II submitted

### B. SUCCESS STORY

(Note: Success stories related to the passage of the finance law in Kyrgyzstan, the international conference in Kyrgyzstan, and the awards ceremony in Uzbekistan are available upon request)

#### **International Conference on Housing Management Helps Local Officials Get Acquainted With Foreign Experience**

The USAID Central Asian Republics Local Government Initiative implemented by the Urban Institute in conjunction with the Uzbek State Communal Agency and Tashkent city municipality held the international conference on “Housing Associations: Democratization and Development of Professional Management and Maintenance” on September 29-30. Over 100 people attended the conference, representing housing organizations from Central Asia, as well as housing experts from Slovakia, Russia, and the Urban Institute’s own experts from its offices in Central Asia.



The conference had two primary goals. The first was to provide participants, and particularly Uzbek national officials, with comparative information about how condominium reforms have been put into effect in other transition countries. The second goal of the conference was to encourage a professional approach to management and maintenance of common property in multi-unit buildings among Uzbek housing experts, housing association chairpersons, national and local government officials. The focus on orienting housing associations to addressing management issues of how best to maintain their common property stems from the need to ensure that democratic governance leads to qualitative improvements in management. UI is concerned that the success of small resident-controlled housing associations will be measured by advocates and opponents alike on the quality of maintenance of the housing stock. The participants were particularly impressed by best practices of Slovak private management companies that work with small housing associations on a contractual basis. Speakers from Slovakia as well as Russia focused on the need for housing associations to act as educated customers representing residents and controlling use of funds for services provided by housing professionals.

The conference participants enjoyed the opportunity to acquire new approaches in management, exchange opinions, and share their experiences. In addition, the conference was also effective in influencing Uzbek officials to change their views and accept that democratic governance can and should lead to effective maintenance, though the latter depends on a more professional approach to maintenance issues.

## **C. ACTIVITIES**

### **Regional Activities & Deliverables**

All four offices worked to coordinate participation and follow up of appropriate counterparts at international conferences on municipal associations and decentralization (in Kyrgyzstan) and democratic governance and management options (in Uzbekistan). Corresponding UI staff from each of the country offices also attended the two meetings. The conference in Kyrgyzstan led to a preliminary agreement on cooperation between Kyrgyzstan's Association of Cities and Kazakhstan's Association of Maslikhats. Kyrgyzstan's experience with housing associations figured prominently in the conference in Uzbekistan; UI's office in Bishkek helped coordinate Kyrgyz presentations. Finally, two UI country offices efficiently utilized resources by having Slovak consultants on housing and professional management hold 3 seminars in Kyrgyzstan while also presenting at the conference in Uzbekistan.

### **Kazakhstan Activities & Deliverables**

#### ***Promoting Relationships between NGOs and Local Governments, CBEDCs (Tasks 1a-c, Task 2)***

Public hearings were held in Tekeli and Zharkent to discuss final versions of the cities' strategic plans. The participants included members of the Coordinating Council and a broad cross section of the city. From the first wave of the Almaty oblast, only Usharal has not yet had a strategic planning public hearing.

The second wave of strategic planning began in four Almaty Oblast cities, with UI staff and consultants providing TA and training to the Coordinating Councils in Esik, Kaskelen, Sarkand, and Ushtobe. Schedules for developing strategic plans and lists of CC members were received from the four cities in Kostanai Oblast.

The Taldykorgan CBEDC, having gone through a project prioritization exercise, has selected a project on Employment Creation and Retention to be funded by UI/Almaty and implemented by the Taldykorgan Employment Enhancement Fund.

In other grants monitoring efforts, UI notes that the Taldykorgan-based Women's Educational Center *Karlygash* held a job vacancy fair which provided 94 jobs for young specialists. *Karlygash* is going to involve more external experts and partners for a regular monitoring of the project. Also, the Association of Initiative Schools held a regional round-table of government, NGO, and businesspeople to discuss the results and potential replication of the project on democratic summer camp.

### ***Building Local Capacity for Decentralization (Task 3)***

Lilia Leskova, the chair of the Small Cities Center (SCC), is the sole representative from local governments on the parliamentary working group drafting the budget code. In addition to other ongoing programs with the SCC, UI has supported the Center's advocacy by giving Ms. Leskova access to Ministry of Economy Officials through the Strategic Planning process. Because of this cooperation between the SCC and the Ministry, organized by UI, Ms. Leskova has been able to access information on draft legislation which may be in time to influence the planned changes in the budget code.

With the support of the UI/Almaty grant program, the SCC supported the organization of public hearings on an important regional issue (dephosphorization of iron-ore concentrate and its impact on environment). The hearings were organized by a coordinating council chaired by the Secretary of the Oblast-level maslikhat and made up of maslikhat deputies from three towns along the Tobol river: Lisakovsk, Rudniy, and Kostanai. This was the first public hearing of this kind in Kazakhstan, with maslikhats cooperating on a regional basis to represent its constituents on issues of joint interest. UI representative attended the hearings and noted good organization, attendance (over 200 participants), and a high level of presentations.

### ***Strengthening Local Councils (Task 4)***

In cooperation with the Small Cities Center, city and oblast maslikhats of the Kostanai region organized public hearings on the environmental effects of a dephosphorization plant in Lisakovsk (see task 3 above).

Workshops on the newly developed *Organization of Election Campaign* module were held in both pilot oblasts. A *Support for Community Initiatives* workshop was held in Almaty. Other workshops (on *Citizen Participation* and *Strategic Planning*) were held in Almaty Oblast.



Test workshops are planned on three new modules: *Finance and Budgeting for Maslikhats* (developed by the Kyzylorda RTC), *Social Partnership* and *Elected Leadership* (both developed by the Almaty RTC).

### ***Housing Reform (Task 5)***

The housing legislation survey (conducted by the Center for Housing and Development) is in its final stage. The project aims to collect information on what forms of registering and managing condominiums exist in six cities (Almaty, Taldykorgan, Shymkent, Shakhtinsk, Ust-Kamenogorsk, and Kostanai) in order to identify main issues in management, and make recommendations for cooperation between KSKs and local government as well as regional management of KSKs and KSK associations. The survey included sending written questionnaires, as well as on-site visits. The draft survey is expected by the beginning of October for UI review, and UI plans to use the results in its housing policy work.

In response to solicitation of cooperation from a government working group on housing, UI will provide commentary to the draft amendments to the housing law. UI/Almaty will utilize the collective experience and expertise of its colleagues in the US, Tashkent, and Bishkek.

At the local level, water meters were delivered to the KSK Association Molodezhnaya. UI/Almaty is now in the process of providing TA to the association in the areas of preparing the revolving fund and monitoring results, after installation. UI/Almaty and two local partners (from Petropavlovsk and Shymkent) took part in the conference on housing issues organized by the UI Tashkent.

### ***Information Dissemination (Task 6)***

The Kostanai public hearings arranged by the Small Cities Center received broad coverage in national and local media. In other national media developments, the three newspapers completed sending articles under the Media Competition. All in all, 24 articles from three newspapers were received, as foreseen by the competition. The articles mainly covered the housing and maslikhat-related topics.

The Taldykorgan CBEDC was the first to register with the ministry of justice and have a legal basis as a consultative body. UI will disseminate this success story to other SP Coordinating Councils, and CBEDCs. Taldykorgan could offer another success in public-private partnership. The CBEDC-chosen project of Employment Creation and Retention was shared with the Ministry of Economy and Budget planning for potential dissemination to other cities (see task 8 below).

An information leaflet on Strategic Planning was issued which in a concise form gives ideas, goals and methods of strategic planning was shared with national policy makers, USAID, and other current and potential partners.

### ***Study Tours (Task 7)***

An AED-sponsored study tour was made to Hungary, aimed at citizen participation and social partnership techniques. Ten representatives participated: UI, NGOs, local executive bodies, and two RTCs. The tour included site visits to five municipalities, ranging from big cities to villages, to demonstrate samples of citizen participation and social partnership techniques in action. The participants drew up action plans on connecting their experiences to ongoing projects in Strategic Planning and Local Self-Government.

### ***Central Government Support (Task 8)***

In mid-September, UI representatives travelled to Astana to coordinate with the Ministry of Economy, the Parliament, and the Presidential Administration on ongoing projects in strategic planning and discuss further collaboration on Small Cities Development and/or Functional Assignments. Specific highlights of the trip include include:

- According to Aleksandr S. Sudjin, head of department of civil service and personnel of the president's administration, **"The work of UI/USAID has created a resonance in the center, oblast, and cities because you've brought national attention to the issue of small cities strategic development."** Mr. Sudjin recommended other central agencies for UI to talk to about small cities development, and offered cooperation in any broader training or info dissemination efforts.
- **The Parliamentary working group finds UI information useful for assisting development of decentralization policy.** MP Viktor Vesnin, chair of the parliamentary working group for budget and finance, took the materials on functional assignments prepared by UI/Kyrgyzstan and UI/Tajikistan and provided copies to the entire working group for analysis and as a potential model for determining functional assignments.
- **The Ministry of Economy and Budget Planning is interested in broader dissemination of UI programs.** Batyirkhan Issayev, vice minister, wanted to learn more about strategic planning guidebook UI is developing as a model for all Kazakhstan's small cities. In addition, he wanted more information on an employment generation and retention project UI is sponsoring with the Taldykorgan CBEDC (please see tasks 6 and 1 above).

In late September, new UI country director Douglas Grube travelled to Astana to introduce himself to S. Mynbaev, Vice Prime Minister, and the recently appointed head of the Government Working Group on Housing Reforms.

### ***Kyrgyzstan Activities/Deliverables***

#### ***Supporting Policy Change at the National Level (Task 1)***

President Akaev signed the Law On Financial and Economic Basis of Local Self-Government on September 25. Thanks in part to efforts to get all stake-holders behind the concepts in the law, no changes were made to the law between passage by the Legislative Assembly at the end of June and signature by the President. The Law, which comes into force on January 1, 2004, substantially overturns the existing centralized system of public finance; and is a major step in

the country's efforts to decentralize. Prior to this law, Kyrgyzstan like other countries in the region, has had a Soviet-style system of public finance whereby budgeting authority was exercised in a top-down fashion, with higher tiers of government determining revenue targets and expenditures in subordinate jurisdictions. This strict vertical hierarchy provided the Kyrgyz national government with a powerful lever to control or intimidate locally elected governments. The financial noose around local governments also undermined local initiative and accountability of government institutions to local populations, because without effective control over their budgets local governments were largely unable to implement service delivery decisions reflecting local wishes and priorities. As mayors of several Kyrgyz cities noted: "Without money there is no government. We need the Law on Financial and Economic Basis!"

UI provided technical assistance to the Ministry of Local Self Government in making additions and modifications to the draft Regulation on Stimulation Grants, which was drafted by the Ministry of Finance. However, it appears that the Ministry of Finance is resisting efforts by UI and its counterparts to establish clear guidelines for the disbursement of these grants.

The Government Coordination Committee responsible for delineation of functional assignments within the framework of the National Strategy on Decentralization conducted two meetings. After a 2 hour meeting in the Main Hall of the Cabinet of Ministers in which UI and its partner Associations of Villages and of Cities presented their approach to dealing with functional assignments, the Committee formed 11 sectoral subcommittees to deal with these issues. UI staff are members of 10 of these subcommittees, including government services of local management; education; housing and utilities; public order and security; recreation, culture, and religious activities; social insurance and social security; transportation and communication; agriculture and water resources; government services of a general character; and other services. Each subcommittee is tasked with forming recommendations on the delineation of functions for each level of government in their sector. On Sept. 30, Mr. Hammatov, from the Office of the Prime Minister, held an introductory meeting with each of the subcommittees.

On September 11, the Government of the Kyrgyz Republic adopted the regulation "On Defining Borders of Land Around Multi-Unit Buildings" that was drafted by the State Architecture Committee and UI. Although minor textual changes were made, no substantive changes were made from the draft that was submitted for consideration and was in-line with the technical recommendations that UI has been making for the past year.

### ***Asset Management (Task 2A)***

To date, 10 cities have submitted their completed UI questionnaire on the application of asset management strategies. Once all the completed questionnaires have been received, the data will be compiled and used to determine whether UI's current technical assistance needs to be fine-tuned to better meet the needs of the cities and/or address their specific situations.

Asset management training for the Naryn City Kenesh was conducted on September 11. Twenty-five city deputies and officials took part in this training that was conducted not only by UI but also with the help of two communal property specialists from Tokmok.

### ***Association Capacity Building (Task 2B)***

The Association of Cities, with the support of UIB, held an international conference on the “Role of Municipal Associations and Experience of Transition Countries in Decentralization” on September 3-4. The conference was attended by representatives of municipal associations and NGOs supporting local government reform from 10 transition countries including Kyrgyzstan, Kazakhstan, Uzbekistan, Tajikistan, Russia, Poland, Moldova, Bulgaria, Ukraine, and Armenia; the deputy head of the Kyrgyz Presidential Administration; the Minister of Local Self-Government; MPs and other senior Kyrgyz government officials; and mayors and council heads from all 24 Kyrgyz cities. The conference had two primary goals. The first goal was to provide participants, and particularly Kyrgyz national officials, with comparative information about how decentralization has been conducted in other transition countries. The Association of Cities of the Kyrgyz Republic has been a leading advocate for effective decentralization and sought to use the conference both to bolster its influence within the country and to have national and local officials realize what further steps must be taken in order to decentralize. The information from Polish participants provided a valuable counterpoint to the mostly centralized governance systems in the CIS countries, including Kyrgyzstan.

The second goal of the conference was to provide a venue for representatives of municipal associations to share experience and to lay the foundation for future cooperation. Presentations ranged from how associations can provide services to their members, issues of how to generate sustained funding, and innovative tools to promote inter-municipal cooperation. Associations had the opportunity to learn new tools and approaches from their colleagues operating in somewhat similar circumstances. The associations agreed to exchange information more intensively in the future. The Kazakhstani Association of Maslikhats (Councils) agreed in principle on a plan of cooperation with the Association of Cities.

Conference participants adopted a declaration calling for support for decentralization in their respective countries, the continued exchange of information among associations and local government support groups, and a follow-up gathering.

Within the framework of the Kyrgyz National Strategy on Decentralization the Association of Cities and UI developed a draft Municipal Property Management Concept. The Concept includes recommendations for all Kyrgyz cities and villages on the use and management of municipal property, current trends in asset management, and an analysis of existing legislation which governs communal property. The Concept will be discussed at the Ministry of Local Self-Government’s board meeting on October 1. Thereafter, it will be submitted to Working Group #2 for the implementation of the National Strategy on Decentralization (responsible for Economic and Financial Decentralization).

The Associations of Cities and Villages were both significantly involved in developing training on local self-government targeted at mass media in connection with UI’s mass media competition. Both Associations delivered parts of the training to northern mass media on September 30 and will do the same for southern mass media in early October (see *Increased Transparency and Citizen Participation for more detail*).

### ***City Strategy and Action Plan (Task 2C)***

The Uzgen City profile was completed and placed on the Internet. The Uzgen Steering Committee presented a second draft of the City Strategy to the City Kenesh. UI also conducted a working session with the Uzgen Steering Committee to develop general criteria for the Inventory of Prioritized Investment Projects.

The Belovodskoe Village Profile was also completed and placed on the Internet. The Belovodskoe Steering Committee presented a second draft of the Village Strategy to the Village Kenesh. Although a working session was conducted with the Steering Committee on the development of general criteria for the Inventory of Prioritized Investment Projects (IPIP), completion of the IPIP will be delayed until January-February of 2004. This delay is caused by the resignation of the Head of the Belovodskoe Aiyl-Okmotu. Work will resume once a decision has been made on his replacement.

UI had preliminary meetings with the Mayor of Balykchy and the Head of Kurshab Aiyl-Okmotu on the possibility of developing Strategic Plans and IPIPs. Both LSGs expressed a strong interest.

### ***Increased Transparency and Citizen Participation (Task 2D)***

Osh held its second ever public budget hearing on September 25. Prior to the hearing, 3 trainings were conducted for NGOs and interested citizens (more than one training was offered because of very high demand). The hearing was extremely successful with the participation of more than 250 citizens and NGOs. Numerous and tough questions were posed by NGOs, condominium associations, and territorial units of self-government (TOCs). The Osh Mayor was significantly involved in responding to these questions and gave good, in-depth, and relevant responses.

UI announced a competition among regional mass media for the best coverage of local self-government issues. The competition has a total prize pool of \$3,000 and media pieces published, in any format, between October 1, 2003 and December 25, 2003 can be submitted. As part of the competition, a special training on local self-government (responsibilities, functions, etc.) targeted specifically for mass media was designed by UI specialists together with experts from the Associations of Cities and Villages. Training was conducted for 20 northern mass media representatives on September 30 and a similar training for southern mass media will be conducted in early October.

### ***FIS Upgrade and Dissemination (Task 2E & 2F)***

Weeklong computer training was conducted for village staff of Bazar-Korgon, Aravan, Kurshab and Jany-Nookat. This training focused on basic computer skills, and additional training will be done specifically on the FIS once it is modified.

### ***Property Tax Training and Technical Assistance (Task 2G)***

The important assessment regulation will be pending in Parliament later this fall.

### ***Public-Private Partnerships (Task 2H)***

The first monitoring meeting of the Tokmok Service Improvement Action Plan (SIAP) was conducted with representatives of the working group. Progress was made toward achieving several of the objectives of the SIAP. The next monitoring meeting will be held in early December. In addition, UI provided the first “mini-grant” under the Tokmok SIAP for the purchase of 900 kg of chlorine. This will further the SIAP objective of “ensuring laboratory control of the quality of drinking water.”

### ***Support to Think Tanks, Research Organizations, and NGOs (Task 2I)***

New trainers successfully delivered three budget trainings for citizens and NGOs in Osh prior to the PBH.

### ***Institutionalizing Training (Task 3)***

The Institute of State and Municipal Management initiated LSG training for village local self-government officials in the Issyk-Kul region.

### ***Housing Association Development (Task 4)***

Three new TSJs (comprising 85 units) were registered in Bishkek by Nash Dom Association, and documents for 2 more TSJs were submitted to the Ministry of Justice for registration.

At the request of the aiyl-okmotu, UI Bishkek, in conjunction with Nash Dom, conducted a condominium promotion seminar in Belovodskoe. The seminar covered the basics of housing legislation and condominium benefits, condominium management and governance, and legal registration procedures. UI provided model registration documents to the village and rayon governments for further distribution among residents of Belovodskoe and other villages in the rayon.

Two Condominium Democratic Governance and Management trainings were conducted in Bishkek, two in Osh, two in Tash-Kumyr and one in Jalal-Abad under the Provider Service Agreement with AED.

Vechernii Bishkek, a local newspaper, published two articles in September on good condominium practices. One of the articles highlighted TSJ "Menta." Residents of the building, which is located near Comfort bazaar-a housing materials market, got tired of the mess around the building and of paying to JEK without receiving any service. After repeated complaints to various levels of government, the TSJ management decided to take over responsibility for their property. The Chairperson explained "... enough. It's time for us to take care of our home and surrounding land."

UI Bishkek in cooperation with the three regional housing associations conducted three roundtables on professional housing management (Bishkek 9/25, Osh 9/26, and Jalal-Abad 9/27). The speakers for the seminars were invited from Slovakia to share their expertise and experience in setting up successful professional housing management companies. Both housing management companies and TSJs from Kyrgyzstan participated in the seminars.

UI conducted a small survey of democratic performance of TSJs. Thirty-two non-board members of 14 TSJs in Bishkek, Jalal-Abad and Osh, were questioned to evaluate the existence of democratic practices in their TSJs. Of those surveyed, 1) 100% elected their boards' members at the general meetings; 2) 100% stated that their boards' members/chairpersons report to residents on work performed; 3) 100% reported that their TSJs hold general meetings; 4) 84.4% think that the payments collected by their TSJs are used in accordance with the interests of the residents; and 5) 93.7% participate in approving the size of fees on common property maintenance.

### ***Community Grants (Task 5)***

Monitoring was performed of the community grant projects in Balykchy, Kyzyl-Kia and Karasuu.

The project in Balykchy on "Clean Drinking Water" is completed. The monitoring included site visits to two pump stations and to the neighborhood where new water pumps were installed. The beneficiary neighborhood is one of the poorest in the city and previously had the most difficult access to drinking water sources. The installation of 50 new water pumps will make access to drinking water much easier by reducing the distance between water meters from 500 meters to 100-150 meters in accordance with SNIP standards.

The project in Karasuu on "Construction of Two Public Toilets" has been completed after an approved delay of 10 days. At the time of monitoring, only one facility was completed and accepted by the Commission. The other facility was unfinished despite the fact that the September 15, 2003 had already expired. The delay was caused by a problem with the timely delivery of bricks and the fact that the location of the new facility was changed from the one originally planned.

The project in Kyzyl-Kia on "Clean Drinking Water" is completed. The grant was used to replace 400 meters of water pipes. The old pipes, which were made of concrete, had 60% leakage. The new pipes are made of metal.

All seven community grant projects under this round have thus been completed and letters on grant completion issued to City Heads.

### ***Study Tours (Task 6)***

The Municipal Enterprise Study Tour to Romania took place from September 21 to September 30. The study tour included participants from Balykchy, Kyzyl-Kia, and Tokmok. Vodokanals were visited in four different Romanian cities to study how they organized internal operations,

the relationship between the City and the enterprise, and the relationship between the enterprise and consumers. As part of the study tour wrap-up, each city was asked to list several concrete steps that they would take upon their return to improve the delivery of water services. Responses included a greater focus on installing meters, implementing better information campaigns for consumers to improve their understanding of the tariff calculation, re-evaluating the existing tariff structure to determine if it accurately accounts for costs, improving training for personnel, opening payment desks throughout the city to facilitate payment, and clearly defining the relationship between the city and the enterprise, both in terms of the reporting and in use of municipal property.

## **Tajikistan Activities/Deliverables**

### ***Training for Local Governments Building Constituencies for Local Government (Task 1)***

A second Project Management and Development Workshop was held in Kulyab. Participating city departments included finance, architecture, nature protection, health, representatives of house committees, water supply department, and the gas supply department. Also participating were five employees of the Hukumat apparatus, two Council deputies, and two employees of local jamoats. The Workshop design provided skills to identify ideas for projects and to translate these ideas into coherent applications for grants and budget projects. The Norwegian Refugee Council Workshop trainers conducted the training.

The training manager met with the managers of the Hukumat apparatus of Khatlon oblast. During the meetings Mr. Sharipov Abduvahid of Kulyab and Mr. Hakimzod encouraged UI to increase the work with deputies of the cities and to continue expanded participation in seminars and projects with the Urban Institute. Sharipov and Hakimzoda approved the work of Urban Institute with deputies and stated necessity of expanding such works and development of partnership on level of oblast and additional cities. To attract the interest and support of the local Hukumats, Mr. Sharipov proposed to establish jointly in Hukumat of Khatlon oblast a Public Training Center accessible to the deputies of all levels, public organizations and NGOs. This idea would give the imprimatur of the Oblast level to the training of council deputies and the staff of the cities and local governments within the Oblast. This is a major break through in confidence in the training being provided by UI Dushanbe.

### ***Technical Assistance to Local Governments (Task 2)***

The training and grants managers worked with two project groups in Kulyab and Kurgan-Tube to design the technical aspects of the water conservation building projects. These technical aspects included evaluation of technical condition of houses, forming specification of necessary materials and details, local estimates and transfer of these data into the project budget. These projects are an outgrowth of the Cost & Fees Training and will demonstrate the real volume of water being used by citizens over a year's time (i.e., through the varying water availability and use seasons of Tajikistan). The buildings will be metered to bring comparative reality to the water usage of the urban buildings. The plans include involvement of the residents in the buildings in the reading and maintenance of the meters and in education on home conservation methods. The city and the communal services departments plan to use these water usage figures



to develop a fee structure that recognizes the actual use of water rather than the traditional estimated norms. The project will work with the building residents and the city to develop realistic incentives for citizens to conserve water.

It has been clear throughout this project development process that the participants from the Project Management and Development workshops are using the methodologies from that material. During the work with groups on development of projects in Kurgan-Tube the participants of the July "Project design" seminar skillfully used their new knowledge and skills in design of the projects. The project became more qualitative and rich in content. Safarov Sharif (Vodokanal management), Kosimov Tagomurod (Housing management) from Kurgan-Tube developed good tasks implementation schedules, methods of involving townspeople, monitoring and defining project results and tools for the project "Effective use of the water".

During a routine monitoring and technical assistance visit by the UI IT specialist to the Staff Computer Resource Centers, the logs show that usage during the usually slow summer months continued to range between 30 and 40 users per week per center. A request was made by both cities to train additional people on the basic uses and to conduct an advance course on MS Word and Excel. It is interesting that in Kulyab the most used program is MS Word, while in Kurgan-Tube the most used program is Excel. Plans are also being made for additional training for the IT managers of these sites.

### ***Social Partnerships (Task 3)***

A Round Table discussion was held with NGO and donor organizations to solicit discussion and suggestions for the expansion of the project during year two. The group discussed the importance of the training that UI is doing for the cities and supported the expansion of the training activities to additional cities. In addition to UI staff, participants included: Abdurahim Muhidov, USAID; Ahmad Hayrullaev, Head of Economic & Financial Department Tajik Kommunhoz; Davlat Elnazarov, Head of Local Budget Department Ministry of Finance; Lola Kudusova, UI Trainer; Mahmadi Mullaev, Technical Assistance Project for Institutional Building; Narzullo Barfiyev, Khatlon Oblast Hukumat; Stoyan Davidov, Head of OSCE Field Office in Kurgan-Tube City. The participants made three primary suggestions 1) If possible small clusters of cities should be used instead of single cities. This brings a broader dissemination of the skills and a greater possibility of networking for future activities; 2) If resources do not allow clusters, the group identified 5 specific cities that meet the USAID requirements and that the group felt would most benefit from the project training; 3) If possible, they suggested that work with the City of Dushanbe be considered, and that at a minimum staff from Dushanbe be included in the training. The next step will be to interview the mayors of these cities and identify their capacity and willingness to participate. Additionally, the UI staff will review available resources to assure that a quality program can be provided to the city or clusters of cities.

### ***Building Constituencies for Local Government (Task 4)***

The Mayor of Kurgan-Tube and the Grants and association development staff member from Tajikistan participated in the Conference On Municipal Associations And Decentralization in

Kyrgyzstan. The Mayor participated in the passage of a conference resolution in support of decentralization and strengthening local government.

The UI Dushanbe training manager, Ahmad Khayrullaev, Head of Economic & Financial Department of the Tajik Kommunhoz., Azim Nozimov, Head of Housing Maintenance Company (TREST) and Qurbobboy Mulloev Deputy Chairperson of Kurgan-Tube City participated in the Conference on "TSJ" (The partnerships) Professional Management And Maintenance Of The Common Property" sponsored by UI Tashkent in Tashkent, September 29-30. Upon returning, the Tajikistan participants urged the UI Dushanbe office to consider working with housing in Tajikistan to establish similar housing partnerships for management of their properties. In the two pilot cities, the estimates are that between 60% and 90% of the urban housing has been privatized through the sale of individual flats. By law the maintenance of the common shell and land is the joint responsibility of the owners and the cities, but no definition of "joint" nor is delineation of responsibility set out in the law. Housing partnerships that could negotiate these delineations were seen positively by the Tajikistan participants.

### ***National Policy Level Support (Task 5)***

During most of September the Presidential Working Group was on vacation and occupied with major conferences being sponsored by the Central Government. Round Tables to be held by UNDP were postponed to October as was the scheduled retreat to make final revisions to these laws. A meeting to complete scheduling and identify activities for the upcoming project year is set for early October.

UI compiled all materials gathered to date on local government reform of the overall work done in terms of legal reform. These materials, in Russian and English will be reproduced and bound for use by the Presidential Working Group. The materials from the Albania Study Tour were compiled and published in both Russian and English for wide distribution. They include all the study tour materials, presentations and various laws, organigrams, studies, etc., received from Albania before, during and after the study tour at request of the officials for more complete information.

### ***Study Tours (Task 6)***

UI Dushanbe received notice from AED that a study tour to Hungary on Solid Waste Management and Collection has been approved. Although approved for October, the AED office suggested that the tour be delayed until early Spring to allow sufficient time for a competitive bid and to obtain the necessary visas. The UI office concurred because this will also allow a broader participation from the expansion cities.

## **Uzbekistan Activities/Deliverables**

### ***National Policy Development (Task 1)***

The last version of the Law on TSJs had been prepared. The new edition of the law takes into consideration the Working Group (WG) comments and suggestions and will be presented to the

Uzbek State Agency “Uzkommuhizmat”, Cabinet of Ministers and the Parliament in early October after final roundtable discussions. UI anticipates that the government will submit the draft to Parliament for the November-December session.

### ***Public Awareness Campaign (Task 3)***

UI conducted the meeting of board of experts and summed up the results of two competitions “The Best Housing Association (Condominium) Practices in Tashkent and the Ferghana Valley 2003” and “The Best Media Coverage of Housing Association Activities”. 4 TSJs became the winners of the competition and will receive grants of up to \$10,000 and 7 journalists were awarded with valuable equipment necessary for their work. Sally Kux, Democracy Programs, EUR/ACE, Department of State, and Richard Stoddard, Democracy Specialist, USAID/CAR/Tashkent, took part in the awards ceremony held on 25 September (see picture of a TSJ chairperson, who won grant, thanking sponsors of the competition).

At the same time, the international conference on democratic housing management and maintenance was conducted on 29-30 September with participation of Slovak, Uzbek, Russian, Kyrgyz, Tajik, Kazakh, and UI housing specialists and experts. The conference was quite successful in terms of gaining new knowledge and approaches in housing stock management and sharing experience between foreign and local specialists, TSJ leaders, and local government officials. The conference reports were published and disseminated among participants.

An educational film on housing association activities in Slovakia was distributed among representatives of Central Asian countries and foreign guests.

All events received wide coverage by TV, radio and print media.

A series of 5 public service announcements (PSAs) had also been prepared that will be disseminated through Internews network of TV channels and national television channels. The Uzbek officials expressed their interest in disseminating them through state television channels.

The Yunusabad district city municipality (khokimiat) made copies of the booklet on the rights and obligations of unit-owners prepared by UI and disseminated in one of the micro-rayons and as a result, khokimiat is receiving fewer complaints from residents.

The booklet on project activities was distributed in the seminars and among conference participants.

### ***Training Activities (Task 4)***

UI developed training materials and conducted jointly with Open Society Institute Assistance Foundation – Uzbekistan (OSIAF) two different seminars “Holding tenders for contractual work by housing associations” and “Preparing application for grant” for participants of the competition for housing associations, representatives of TSJ regional associations, training centers, FCRPS and nongovernmental organizations (see picture of the training).

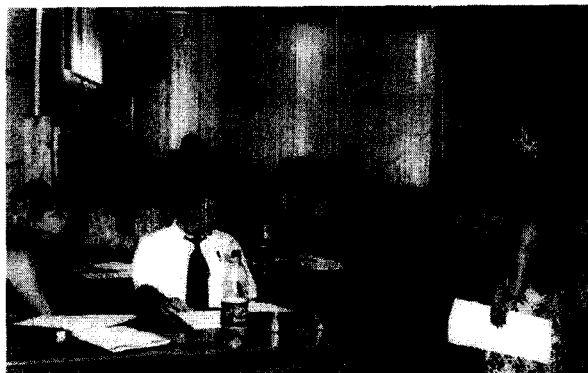
UI is continuing to conduct trainings for initiative groups of unit-owners on establishing a new housing association in Tashkent. The work on monitoring the effectiveness of the trainings has started.

***Development of Housing Advocacy Groups (Task 5)***

UI invited the chairpersons of TSJ regional associations from Namangan, Andijan, Samarkand, and FCRPS to the seminars and international conference in order to educate and improve their relations with each other.

***Study Tours (Task 6)***

UI invited Slovakia и Kyrgyzstan study tour participants to the international conference in order to share their experience with other participants and to develop ties between partners in Uzbekistan and in other countries.



## D. Country Staff Travel Charts

### Kazakhstan

Employee	Travel During Reporting Period	Expected Upcoming Travel
Grube (Country Director)	Astana 9/30	Taldykorgan 10/early, Istanbul 10/3-6, Kostanai, Lisakovsk 10/8-11
Boyle (RA)	Zharkent 9/4-5, Astana 9/11-12, Astana 9/30	Istanbul 10/3-6, Kostanai, Lisakovsk 10/8-11, Astana 10/14-15
Bandurina (Program Specialist)	Kaskelen, Issyk, Tekeli, Zharkent 9/2-5, Astana 9/11-12, Ushtobe 9/17	
Sakhanova (Capacity Building Specialist)	Bishkek 9/3-5, Astana 9/11-12, Taldykorgan 9/25	Astana 10/9-10, Astana 10/14-15, Petropavlovsk 11/early, Taldykorgan 11/15
Galieva (Program Assistant)	Kostanai 9/10-13, Tashkent 9/26-30	Astana 10/14-15
Khodjashova (Training Coordinator)	Budapest 9/6-13	
Khassanov (Translator/Media Assistant)	Astana 9/30	Taldykorgan 10/early, Kostanai, Lisakovsk 10/8-11

### Kyrgyzstan

Employee	Travel During Reporting Period	Expected Upcoming Travel
Undeland (COP)	Cholpon-Ata 9/3-9/6, Almaty 9/10, 9/21-23, Tashkent 9/28-10/3	Istanbul 10/3-6, Dushanbe 10/6-8
Kugler (Resident Advisor)	Balykchy 9/17, Uzgen/Kurshab 9/18-19	Istanbul 10/1-7, Project departure 10/15
Smith (Resident Advisor)	Tokmok 9/18, Romania 9/21-30	Balykchy 10/14, Tokmok 10/15, Maternity leave 10/26-1/26/04
Alybaeva (Mun.Finance)	Osh 9/24-25	
Bektenova (Training)	Cholpon-Ata 9/3-6, Osh 9/14-15	Cholpon-Ata 9/3-9/6, Osh
Chalagyzov (Mun. Finance)	Cholpon-Ata 9/3-4, Belevodskoe 9/16, Uzgen/Kurshab 9/18-19, Balykchy 9/17	Belevodskoe, Kurshab, Uzgen, Balukchu–October
Gradwal (Condominiums)	Belovodskoe 9/16, Osh/Jalal-Abad 9/26-28, Tashkent 9/28-30	Belovodskoe–September, Tashkent 9/28-10/1
Mambetova (Lawyer)	Balykchy 9/9, Tokmok 9/18, Romania 9/21-30	Balykchy 10/14, Tokmok 10/15,
Narusbaeva (Comm. Prop.)	Naryn 9/10-11	Talas – October
Orda (Grants)	Balykchy 9/9, Kyzyl-Kia/Kara-Suu 9/15	

### Tajikistan

Employee	Travel in Past Month	Expected Upcoming Travel
Davis (Country Director)	N/A	Kurgan Tube & Kulyab: October & November Potential expansion cities: October & November Possible PWG draft legislation Round Table attendance PWG Retreat site October Khojand –October Istanbul --October UI Resident's Meeting
Nauk (Natl. Policy)	N/A	Potential UNDP sites: Faizabad Khorog, Gharm, Kurgan Tube Kulyab, Khudjand, Penjikent
Nazirova	N/A	Potential UNDP sites: Faizabad

(Decentralization)		Khorog, Gharm, Kurgan Tube Kulyab, Khudjand, Penjikent
Kadirov (IT)	Kulyab: 9/15; 9/23 Kurgan-Tube: 9/16	October: Kurgan –Tube; Kulyab; November: Kurgan –Tube; Kulyab; New Cities
Shomakhmadova (Grants)	Bishkek: 9/01/03- 9/8/3 Kulyab: 9/30	October: Kurgan-Tube; Kulyab; Potential New Cities November: Kurgan –Tube; Kulyab; New Cities
Vahobdjonovich (Training)	Kulyab: 9/ 4, 6, 25-26 Kurgan-Tube - 9/25-26 Tashkent: 9.28-30	October: Kurgan –Tube; Kulyab; Potential New Cities November: Kurgan –Tube; Kulyab; New Cities

### Uzbekistan

Employee	Travel in Past Month	Expected Upcoming Travel
Gentsler (Country Director)		Andijan, Namangan, Ferghana 10/20-24, Samarkand 29-30
Alieva (Housing Specialist)		Andijan, Namangan, Ferghana 10/20-24, Samarkand 29-30
Secret (Training specialist)		
Turaev (Publications and Media Coordinator)		Andijan, Namangan, Ferghana 10/20-24,
Epstein (TDY)	Almalyk 9/30	Andijan 10/1-2
Winter, (Local Government Intern)	Andijan 9/10-12, 9/30, Almalyk 9/8, 9/30, Ferghana 9/12	Andijan 10/1-2

## E. PROGRAMMATIC AND OPERATIONAL ISSUES

**General.** Much of September was spent on drafting workplans for Year 2. All sections of the workplan except for the Kazakhstan country section was submitted on September 19. The Kazakhstan section was submitted on September 26, after new country director Douglas Grube had a chance to have input.

**Kazakhstan.** Douglas Grube was approved as the country director and relocated to Kazakhstan. He oversaw the completion of the Year 2 work-plan, and is working with the staff on program focus and related resource requirements. At the same time, UI unfortunately lost one of its best local staff members, Inna Bandurina; Inna has gone on to another job at the British Embassy in Kazakhstan.

UI has received positive initial feedback from national policy makers in collaborating in the areas of small cities development, functional and budget assignments, and democratic housing management. However, it is still difficult to determine what types of programming will be the most effective at the national level, since there have not yet been firm commitments from particular partners for collaboration. Therefore, at this time, UI will continue to explore different methods of working with national policy makers, either directly to the ministries or parliament or through partners such as the Small Cities Center (SCC). But UI hopes to be able to insert itself in these national policy issues in order to make a positive contribution.

With first round of maslikhat elections completed, UI is planning on organizing a nation-wide series of workshops for newly elected maslikhat deputies in cooperation with USAID partners (NDI, IRI, AED, and Eurasia) as well as other donors such as Soros and TACIS. A preliminary meeting is planned for early October to determine the input from each organization. On a different level, the run-up to the elections meant that programmatic operations were slower than expected, especially in conducting the housing survey and going to cities for SP TA, since local administrations concentrated all their efforts and time on organizing the elections.

**Kyrgyzstan.** The passage of the Law on Financial and Economic Basis of Local Self Governments is a huge success for local self-governments and a solid step towards decentralization. The challenge ahead is making sure that law becomes practice. UI will be working to educate local and national officials on provisions of the law, and on bringing other budget legislation into conformity with the new reforms. In addition, UI will support the Fiscal Reform Project in developing regulations on calculating and distributing categorical and equalization grants.

This year, twenty-four budget hearings were held in cities and villages across Kyrgyzstan with the support of Urban Institute. In addition, the success of this program has inspired other ayyl-okmotus, NGOs, and donors to hold hearings without our support. Unfortunately, Bishkek still has not held a public budget hearing despite repeated expressions of interest. Earlier this month, the Chairman of the Bishkek City Kenesh, Mr. Kydraliev, and a kenesh staff member responsible for budget issues, Ms. Barabanova, both stated that a hearing was absolutely necessary. However, the stumbling block appears to be a lack of support from the Bishkek mayor. Hopefully, the recent success of the Osh hearing will put positive peer pressure on the Bishkek mayor and encourage him to hold a hearing.

Despite the fact that the Office of the Prime Minister held an introductory meeting with each subcommittee responsible for developing recommendations on the delineation of responsibilities between each level of government and the fact that very little time has been given to accomplish this task, it appears that there is very little momentum in convening these subcommittees, with the exception of Agriculture. UI will work with its partners, the Associations of Cities and Villages, in an effort to stimulate these subcommittees. At the same time, the inclusion of issues that are important but sequentially should follow political decisions on functional assignments and finance into the government's workplan is overstressing their resources. Such issues include civil service reform and promotion of social mobilization. There is 'committee fatigue' among those working on local government issues as they try to tackle too many issues at once. This is particularly the case with the Associations.

The resignation of the Head of Belovodskoe is a poignant reminder of turnover of staff and city leaders. As mentioned in previous monthly reports, the last year has seen new mayors in Karakol, Tokmok, and Balykchy. In addition, Tokmok and Karakol both also have new vice-mayors and chiefs of apparatus, and Tokmok, Batken, and Talas all have new heads of finance departments. Finally, the composition of city keneshes are also changing. Tokmok held kenesh elections on September 21, resulting in an increase in the number of deputies from 16 to 26. Similarly, Osh will also be holding Kenesh elections in October. The changeover results in a

delay of our cooperation with these localities due to several factors such as the new mayor needing time to get up to speed with our activities, the need for retraining (particularly in the case of kenesh deputies), or repetition of certain aspects of technical assistance. UI seeks to address this problem by involving several city/village staff members in every activity to ensure that there is broad support and understanding of our activities. In the event that one key person departs, there should still be the necessary momentum and support to carry on the activity. In addition, in the case of new mayors or village heads, we meet with the new leader immediately to describe UI's work and any on-going activities with the LSG.

Municipal Finance Specialist Genoura Alybaeva left the project at the end of September. UI is planning to replace her prior to RA Smith's departure for 3 months of maternity leave on October 26.

**Tajikistan.** Gisella Nauk began work with the project. She will be responsible for the National Policy Initiative for local government reform. UI is pleased to have her join the team in order to have an expatriate who is plugged into the local political scene push for addressing policy issues in a sustained fashion. Gisella has joined the project and will be leaving on pre-arranged leave from mid-October to mid-November.

Generally the month of September was a time for short leaves for the UI staff, local government and central government counterparts. The month was consumed with reports, work plan preparation and plans for the next year's work. There were also numerous 'scoping visits' from new projects and potential contractors. UI has begun to address its transportation and Tajik language issues, though the latter is still far from resolved.

**Uzbekistan.** UI found out that during discussions regarding the draft amendments to the Law on TSJs the mahalla committees are intending to establish control over TSJ activities. The state policies on supporting mahallas and transfer of substantial authorities to them is complicating TSJ's independent activities and the work of initiative group of unit-owners on establishing new TSJs in separate apartment buildings. In one instance, UI faced difficulties while conducting trainings for unit-owners in one of the Tashkent city districts because the chairperson of the mahalla committee prohibited the housing committee representatives from participating in it. UI is in the process of developing an adequate response to this challenge. One element is addressing to underline the legal separation and independence of TSJs from mahallas through changes in the TSJ law. It is likely that UI will quietly introduce this theme in its future public awareness activities.



## F. COUNTRY TASK CHARTS

### Kazakhstan

ACTIVITY	RESULTS IN SEPTEMBER 2003	UPCOMING ACTIVITIES (next 2 months)
<i>Promoting Relationships between Local Governments and NGOs (Task 1)</i>	<ul style="list-style-type: none"> <li>• TA and Training to four Almaty Oblast cities</li> <li>• SP development schedules received from four cities in Kostanai Oblast</li> <li>• Tadykorgan CBEDC project on job creation and retention prepared</li> </ul>	<ul style="list-style-type: none"> <li>• SP TA for Almaty Oblast and Kostanai Oblast cities</li> </ul>
<i>Expanding Citizen Participation/ Local Government Responsiveness (Task 2)</i>	<ul style="list-style-type: none"> <li>• Public hearings in Zharkent and Tekeli on draft strategic plans</li> <li>• Workshops in Almaty and Almaty Oblast (<i>Support for Community Initiatives, Elections Campaign, Citizen Participation</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Trainings planned: two workshops on <i>How to Conduct Public Hearings</i> in mid-October for Almaty Oblast SP coordinating councils</li> </ul>
<i>Building Local Capacity for Decentralization (Task 3)</i>	<ul style="list-style-type: none"> <li>• Public hearings in Lisakovsk on dephosphorization (a grant-winning project) held</li> <li>• Mid-term evaluation of grants recipients</li> </ul>	<ul style="list-style-type: none"> <li>• Mid-term evaluation planned for Democratic Expertise (Oct 10) and Association of Maslikhat Deputies (Nov 15)</li> <li>• Grants program finishing</li> </ul>
<i>Strengthening Local Councils (Task 4)</i>	<ul style="list-style-type: none"> <li>• Election campaign workshop held in Kostanai and Almaty oblasts</li> </ul>	<ul style="list-style-type: none"> <li>• Test workshops on new modules for maslikhats</li> <li>• Broader Training Planned for maslikhat deputies (November-December)</li> </ul>
<i>Housing Reform (Task 5)</i>	<ul style="list-style-type: none"> <li>• Housing survey ongoing</li> <li>• Water meters delivered to the Molodezhnaya KSK Association</li> </ul>	<ul style="list-style-type: none"> <li>• Completion and presentation of housing survey</li> <li>• Review of current draft of amended <i>Law on Housing Relations</i> by beginning of October</li> <li>• Parliamentary Working Group meeting planned for mid-October</li> </ul>
<i>Information Dissemination (Task 6)</i>	<ul style="list-style-type: none"> <li>• Grantee newspapers submitted all articles</li> <li>• Information sharing activities continue</li> </ul>	<ul style="list-style-type: none"> <li>• Year 1 best practices and case studies finalized</li> </ul>
<i>Study Tours (Task 7)</i>	<ul style="list-style-type: none"> <li>• AED study tour in Hungary for citizen participation</li> </ul>	
<i>Central Government Support (Task 8)</i>	<ul style="list-style-type: none"> <li>• Meetings held with central government officials on strategic planning, housing policy, and small cities development</li> </ul>	<ul style="list-style-type: none"> <li>• Potential niches in small cities development, delineation of functions, and housing legislation to be explored further; more meetings with central government planned</li> <li>• Information on Taldykorgan CBEDC job creation and retention project to be shared with the Ministry of Economy and Budget Planning</li> </ul>

## Kyrgyzstan

ACTIVITY	RESULTS IN SEPTEMBER 2003	UPCOMING ACTIVITIES (next 2 months)
<i>Supporting Policy Change at the National Level (Task 1)</i>	<ul style="list-style-type: none"> <li>• Law on FEBLSG signed by President Akaev</li> <li>• Reg. Land Around Multi-Unit Buildings adopted</li> <li>• Participation on working groups to implement the National Decentralization Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Participation on working groups to implement the National Decentralization Strategy (ongoing)</li> </ul>
<i>Asset Management (Task 2a)</i>	<ul style="list-style-type: none"> <li>• AM training for Naryn City Kenesh</li> <li>• Survey of cities application of AM strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Asset management training for Talas City Kenesh (Oct)</li> <li>• Complete survey of cities application of AM strategies (November)</li> </ul>
<i>Association Capacity Building (Task 2b)</i>	<ul style="list-style-type: none"> <li>• International Conference on Role of Municipal Associations and Experience of Transition Countries with Decentralization</li> <li>• Asset Management Concept Paper developed by ACKR</li> <li>• ACKR and AOV help develop mass media training</li> </ul>	<ul style="list-style-type: none"> <li>• LSG training for village officials by the Association of Cities and the Association of Villages</li> <li>• Association of Villages disseminates Model Village Budget</li> <li>• Procedures at meeting of aiyl-okmotus (November)</li> </ul>
<i>City Strategy and Action Plan (Task 2c)</i>	<ul style="list-style-type: none"> <li>• Belovodskoe profile and 2<sup>nd</sup> draft of VSAP completed</li> <li>• Uzgen profile and 2<sup>nd</sup> CSAP draft completed</li> </ul>	<ul style="list-style-type: none"> <li>• Completed Strategic Plans in Uzgen and IPIP in Belovodskoe</li> <li>• Develop CDSAP and IPIP in Kurshab and Balykchy</li> </ul>
<i>Increased Transparency and Citizen Participation (Task 2d)</i>	<ul style="list-style-type: none"> <li>• PBH and training for NGOs held in Osh</li> <li>• Mass media competition announced</li> <li>• Training for northern mass media of LSG</li> </ul>	<ul style="list-style-type: none"> <li>• Training on Budget Process and Procedures for Bazar-Korgon kenesh deputies (November)</li> <li>• Awards made in mass media competition</li> </ul>
<i>FIS Upgrade and Dissemination (Task 2e and 2f)</i>	<ul style="list-style-type: none"> <li>• Computer training for southern villages</li> <li>• Work on formulating instructions for new standardized budget forms</li> </ul>	<ul style="list-style-type: none"> <li>• Initial computer training for northern pilot villages (Oct)</li> <li>• Instructions and Order on budget forms finalized by the Ministry of Finance (November)</li> </ul>
<i>Property Tax (Task 2g)</i>		<ul style="list-style-type: none"> <li>• Provision of information to cities as appropriate</li> </ul>
<i>Public-Private Partnerships (Task 2h)</i>	<ul style="list-style-type: none"> <li>• Tokmok SIAP monitoring meeting held</li> <li>• First SIAP mini-grant made in Tokmok for chlorine</li> </ul>	<ul style="list-style-type: none"> <li>• SIAP development in Balykchy and Kyzyl-Kia</li> <li>• Technical Audit training (October)</li> </ul>
<i>Support to Think Tanks, Research Organizations, NGOs (Task 2i)</i>	<ul style="list-style-type: none"> <li>• Budget training by NGOs in Osh</li> </ul>	
<i>Institutionalizing Training (Task 3)</i>	<ul style="list-style-type: none"> <li>• LSG training for villages of Issyk-Kul region conducted by Institute of State and Municipal Management</li> </ul>	<ul style="list-style-type: none"> <li>• LSG training for villages held by the Institute</li> </ul>
<i>Housing Associations (Task 4)</i>	<ul style="list-style-type: none"> <li>• 3 new TSJs in Bishkek</li> <li>• Condo promotion seminar in Belovodskoe</li> <li>• 3 seminars on professional housing management with Slovak experts</li> </ul>	<ul style="list-style-type: none"> <li>• Development of general condo governance info module</li> <li>• Development of the legal info for TSJs module</li> <li>• Develop brochure on Establishment of Borders for Land Around Multi-</li> </ul>

		Unit Buildings
<i>Community Grants (Task 5)</i>	<ul style="list-style-type: none"> <li>• Completion and monitoring of grant projects in Balykchy, Kara-Suu, and Kyzyl-Kia</li> </ul>	<ul style="list-style-type: none"> <li>• Design guidelines for Village Community Grant Competition</li> <li>• Regional training on project development and management</li> </ul>
<i>Study Tours (Task 6)</i>	<ul style="list-style-type: none"> <li>• Romanian municipal enterprise study tour</li> </ul>	

## Tajikistan

ACTIVITY	RESULTS IN SEPTEMBER 2003	UPCOMING ACTIVITIES (next 2 months)
<i>Local Government Training (Task 1)</i>	<ul style="list-style-type: none"> <li>• Conducted Project Development &amp; Management Workshop in Kulyab</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct Citizen Involvement Workshop (October)</li> <li>• Conduct Capital Investment Planning Workshop (Nov)</li> </ul>
<i>Technical Assistance to Local Governments (Task 2)</i>	<ul style="list-style-type: none"> <li>• Continued high usage of the Staff Computer Resource centers</li> <li>• Obvious use of skills from Project Development &amp; Management course and from the Cost &amp; Fees workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Work with pilot cities to develop Multi-Year Revenue plans and projections (ongoing)</li> <li>• Continue technical assistance on preparing service delivery costs</li> <li>• Continue technical assistance on solid waste issues following the Low Tech Solid Waste Workshop</li> </ul>
<i>Social Partnerships (Task 3)</i>	<ul style="list-style-type: none"> <li>• Offer from the Oblast Hukamhat to sponsor a training location and training for oblast staff and council deputies from the Khatlon Oblast</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct training on Citizen Involvement Methods</li> <li>• Conduct training on Holding Public Meetings</li> </ul>
<i>Building Constituencies for LG Reform (Task 4)</i>	<ul style="list-style-type: none"> <li>• Round table of donors and government stakeholders to identify potential expansion cities for Year 2 of project</li> <li>• Local government participants in the Tashkent conference on housing came back with support for housing associations that work with local governments for improvements</li> </ul>	
<i>National Level Policy Support (Task 5)</i>	<ul style="list-style-type: none"> <li>• Compiled background materials on the work done in terms of legal reform</li> <li>• Published Russian version of the Assessment of Intergovernmental Relations</li> <li>• Compiled materials from the Albanian Study Tour on Decentralization</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare summary reports for the PWG on the round tables to be held by various donors about the draft laws on local government reform</li> <li>• Sponsor a mini legislative drafting retreat to make final revisions on the draft legislation</li> <li>• Review and comment on the final draft revisions to the local government legislation</li> <li>• Coordinate comments and work for the PWG with other active donors</li> </ul>
<i>Study Tours (Task 6)</i>	<ul style="list-style-type: none"> <li>• New Study Tour on Solid Waste approved</li> </ul>	<ul style="list-style-type: none"> <li>• Follow up on Work/Action plan as developed by PWG</li> <li>• Prepare necessary materials for Hungarian Study Tour</li> <li>• Prepare TARF for U of W</li> </ul>

## Uzbekistan

ACTIVITY	RESULTS IN SEPTEMBER 2003	UPCOMING ACTIVITIES (next 2 months)
<i>National Policy Development (Task 1)</i>	<ul style="list-style-type: none"> <li>Prepared the last version of the Law on TSJs</li> </ul>	<ul style="list-style-type: none"> <li>Conduct roundtable discussions on amendments (the last version of the Law on TSJs) (Oct 7)</li> <li>Provide the law to Uzbek State Agency "Uzkommunhizmat", Cabinet of Ministers and Parliament</li> </ul>
<i>Establish Pilot Locations (Task 2)</i>	<ul style="list-style-type: none"> <li>Started to assess separate TSJs for demonstration projects</li> </ul>	<ul style="list-style-type: none"> <li>Sign cooperation agreements with Namangan and Samarkand city municipalities (early November)</li> <li>Continue assessing TSJs for implementing demonstration projects in pilot sites</li> <li>Sign three-sided agreements on demonstration projects (November)</li> </ul>
<i>Public Awareness Campaign (Task 3)</i>	<ul style="list-style-type: none"> <li>Summed up the results of two competitions and awarded winners</li> <li>Prepared a series of PSAs</li> <li>Started to distribute booklet on project activities</li> <li>Conducted international conference on democratic governance and development of professional housing management</li> <li>Distributed conference materials</li> <li>Invited journalists to all events</li> <li>Prepared press releases and distributed among journalists</li> </ul>	<ul style="list-style-type: none"> <li>Air PSAs (late October)</li> <li>Continue distributing booklet on the rights and obligations of unit-owners and project activities</li> <li>Prepare the screenplay of the second educational film on TSJs</li> <li>Start working on producing the film (November)</li> <li>Collect and analyze grant projects of winning TSJs and sign agreement with OSIAF (Soros Foundation) on joint financing of the projects (mid November)</li> </ul>
<i>Training (Task 4)</i>	<ul style="list-style-type: none"> <li>Prepared training materials and delivered two different trainings jointly with Soros Foundation for competition participants</li> <li>Initiative group of apartment owners received training on establishing a new housing association</li> <li>Started monitoring activities on the effectiveness of the trainings</li> </ul>	<ul style="list-style-type: none"> <li>Prepare analytical report on the results of the monitoring on the effectiveness of the trainings (late October)</li> <li>Prepare workplan of trainings for Year II</li> <li>Conduct seminars for unit-owners in pilot TSJs</li> </ul>
<i>Development of Housing Advocacy Groups (Task 5)</i>	<ul style="list-style-type: none"> <li>Invited FCRPS and regional TSJ representatives to the conference</li> </ul>	<ul style="list-style-type: none"> <li>Sign subcontracts with FCRPS for conducting training activities (mid October)</li> <li>Prepare subcontracts to be signed with training center "Uzkommunukuvtashkilotchi", Tashkent city TKEO and NGO "Tarakkiyot" (late October)</li> <li>Prepare necessary documents on providing technical assistance to the existing TSJ associations</li> </ul>
<i>Study Tours (Task 6)</i>	<ul style="list-style-type: none"> <li>Study tour participants were invited to the conference to share their experiences</li> </ul>	